

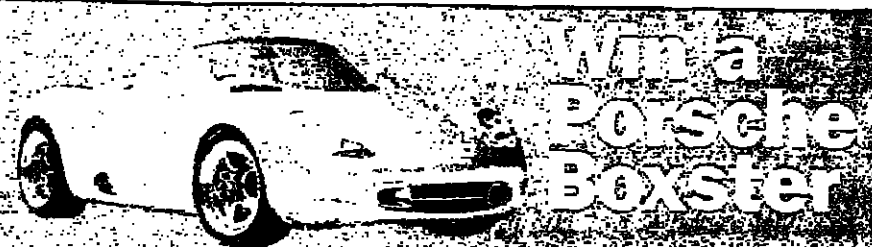


THE INDEPENDENT

THURSDAY 1 FEBRUARY 1996 40p (IR 45p)



Why Venice has that sinking feeling
Is it really a city in peril?



Andrew Marr on the maligned Mr Clarke
Political commentary

Watchdog to probe lottery handouts

Audit office to inquire into grant awards

CHRIS BLACKHURST
Westminster Correspondent

Hundreds of millions in cash handouts from the National Lottery are to be scrutinised by the National Audit Office, the public finance watchdog.

An NAO spokesman said last night that the inquiry was expected to begin later this year. It will concentrate on the Millennium Commission, National Heritage Memorial Fund, Charities Board, Sports Council and Arts Council, which in the lottery's first seven years, will distribute between £1.2bn to £1.6bn each.

The National Heritage Memorial Fund provoked a storm last year when, in a

NAO investigators will focus on another acutely sensitive area - possible conflicts of interest between the people making the grants and the bodies receiving them.

The watchdog is currently examining whether all lottery proceeds are being collected and handed over to the Government for passing on to the grant-making bodies in time. That inquiry, which is concerned with flow of funds through the system, from the sellers of tickets to the grant-making bodies, is expected to be completed shortly. "After that, we will get to the more interesting inquiry," the spokesman said.

Confirmation of the inquiry came after Sir John Bourn, the NAO head, appeared before the Commons Public Accounts Committee yesterday, to present a report into the sacking last year of the director of the National Heritage Memorial Fund.

Georgina Naylor was fired after the NAO discovered she had awarded computer contracts to a company run by her boyfriend.

The first contract to his firm, Simco Software Services, was worth £3,000 and the second, £35,000. Hayden Phillips, Permanent Secretary at the Department of National Heritage and Antiquities, director of the fund, had been called to the committee after it was revealed that Ms Naylor received a pay-off worth £35,000.

It was also disclosed that she had been allowed to keep her job for a further six weeks, on full pay, despite the facts being known to officials at the Department. Mr Phillips said he had to make a judgment as to whether it was wise to dismiss her immediately, which would have coincided with the first announcements of grants from the fund, or to wait while further inquiries were made. He chose the latter, prompting Michael Stern, the Conservative MP, to accuse him of making a "cosy decision".

MPs demanded to know how it was that, when Ms Naylor had clearly allowed the conflict to arise, she got any pay-off at all. Mr Phillips said she received the money on the advice of the Treasury Solicitor, who said the £35,000 was what she could expect at an industrial tribunal.

It emerged that while the payments to Ms Naylor's partner had been relatively small, he was advising on information technology contracts worth £300,000. Angela Eagle, the Labour MP, asked whether the "scope for dubious activities involving large amounts of money was quite wide?" She also pointed to the rapid growth of Simco Software.



Escape route: A man hurries through the debris in Colombo yesterday as firefighters tackle a building set ablaze by the lorry-bomb attack. Photograph: A Lokupaparechchi/Reuters

Sri Lanka suicide bomber kills 60

TIM MCGIRK
New Delhi

A suicide bomber crashed a lorry packed with explosives into Sri Lanka's central bank, killing nearly 60 people and injuring more than 1,400 others during the morning rush hour yesterday in the heart of Colombo.

The force of the blast gutted eight buildings and brought a cascade of glass on to the packed streets.

spokesman, Brigadier Sarath Munasinghe, blamed the bomb attack on Tamil separatist guerrillas. "It had to be the Tamil Tigers. Who else would have done such a thing like this?" he asked. The blast was seen as Tamil revenge against the army for having captured the main Tiger guerrilla base at Jaffna, on the north of the island, during a long and bloody campaign that ended last December.

Eyewitness accounts differed, but it appeared that a lorry carrying explosives managed to

slip through the dozens of army checkpoints on roads leading into the Sri Lankan capital. Despite tight security, the capital has been rocked nearly 15 times by suicide bombers - the preferred weapon of the Tamil Tigers - in 12 years of ethnic war with the Sinhalese majority.

A driver and at least two others were in the lorry when it raced up to the central bank, on a busy thoroughfare next to the president's office, hotels and key government and military installations. Two of the suspect-

ed Tamil guerrillas jumped out and fired a rocket-propelled grenade at the bank's sentry box while the driver rammed his explosives-laden vehicle into the bank. Two youths wearing jackets filled with explosives were later arrested at the Fort railway station nearby. Police said the two suspects, who were also carrying automatic weapons, may have been the men who attacked the bank's security post.

The facade of the nine-story building was blasted open. Smoke poured from fires in

nearby buildings and glass rained in a deadly shower from 34-storey skyscrapers. Cars were somersaulted by the blast and burst into flames. What had been a busy, normal street a few seconds before was transformed into a devastated landscape. Dazed and bloodied survivors hobbled through a wreckage of mangled bodies, fire, glass shards, and twisted metal.

Office workers trapped on the upper floors of flaming buildings were lifted to safety by helicopters. Rescue officials said the

death toll could rise far higher: the central bank building alone had nearly 3,000 workers.

As darkness fell, fears grew that Sinhalese mobs might descend on Tamil neighbourhoods and take their vengeance for yesterday's carnage.

The bomb may prompt the Australian cricket team to pull out of their World Cup match in Colombo on 17 February against Sri Lanka. But Sri Lankan officials said the match would go ahead as planned. Tamils take revenge, page 8

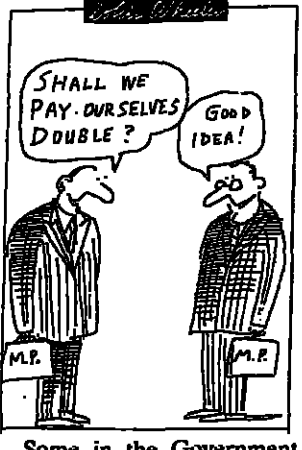
Independent body to rule on MPs' pay

DONALD MACINTYRE
Political Editor

The Government was last night preparing to hand the highly sensitive issue of MPs' pay over to an independent body after Labour came out in favour of referring it to Lord Nolan's Committee on Standards in Public Life.

As the leaderships of all three main political parties were put on the defensive by the gathering momentum of MPs campaigning for a big hike in parliamentary salaries, Ann Taylor, Shadow leader of the Commons, backed the all-party demand by more than 300 MPs for the Nolan committee to determine their pay.

Tony Newton, Leader of the Commons, is already studying a series of options for the future fixing of MPs' pay. A review by the Nolan committee would require John Major to alter the committee's terms of reference.



Some in the Government were last night advocating the use of the Senior Salaries Review Board, which fixes pay for judges, generals and senior civil servants.

Downing Street refused to commit Mr Major in advance of a report Mr Newton will make to the Cabinet. But the motion

calling for a reference to Nolan is signed by influential members of the Tory backbench 1922 committee, including its chairman, Sir Marcus Fox, and more than half of the Parliamentary Labour Party.

Although the Labour leadership backed the EDM motion last night, senior party sources, with a lively sense that the issue could be one of the first to face the party in government if it wins the election, went out of their way to suggest a Labour Government would not see a big increase in MPs' pay "as one of its first priorities".

Anxiety among leaders of the main parties that a big readjustment of MPs' pay could intensify the electorate's disenchantment with politicians was exposed by Paddy Ashdown, leader of the Liberal Democrats. He said of his own £34,000 pay: "I have no difficulty with my salary as an MP."

TURN TO PAGE TWO

Take sugary puffs with a pinch of salt

GLENDIA COOPER

Breakfast cereals that claim to be a healthy eating option should be treated with a pinch of salt, according to the consumer guide *Which?*

Cereals targeted at slimmers often have no fewer calories and different ways of measuring fibre make comparisons almost impossible. The guide, published by the Consumers' Association, said. In 1994, consumers in the United Kingdom ate £1bn worth of cereal.

Perfect Balance, produced by Weight Watchers, contains only 2 calories per 100g fewer than Kellogg's Bran Flakes (318 cals per 100g) compared with 330 cals per 100g, while having 25-30 per cent less fibre. And, despite advertisements that show sylph-like bodies, Kellogg's Special K has the same amount of calories and double the sugar of Kellogg's Cornflakes.

Added sugar was a problem in many cereals. An unsweetened cereal contains less than 1g of sugar per 100g. But added

sugar in Sugar Puffs makes up nearly half its total weight.

It is illegal to make false claims that products can help prevent, cure or treat a disease but the Consumers' Association says some cereals imply they will be good for the heart. Bran Hearts, from Jordans, come in a heart shape and Kellogg's Common Sense is pictured in a heart-shaped bowl on the box.

Which? also expressed concern about cereals aimed at children. A recent survey looked at television advertisements appearing at children's peak viewing times. It found that almost one in five of the food and drink advertisements were for cereals and three-quarters of these cereals were high in sugar.

Brands such as Kellogg's Coco Pops, Frosties and Corn Pops, billed as "part of your nutritious breakfast", contain more than 40 per cent sugar.

Kellogg's yesterday defended its advertising of children's cereals, saying that they contained many nutrients vital to health and growth.

IN BRIEF

Windfall for 3 million
Three million members of the Alliance & Leicester will receive a shares windfall following the society's announcement that it is to become a bank. Page 3

Airline accused
The first criminal prosecution against a scheduled airline for endangering the life of passengers is being brought after both engines on a British Midland jet ran out of oil. Page 2

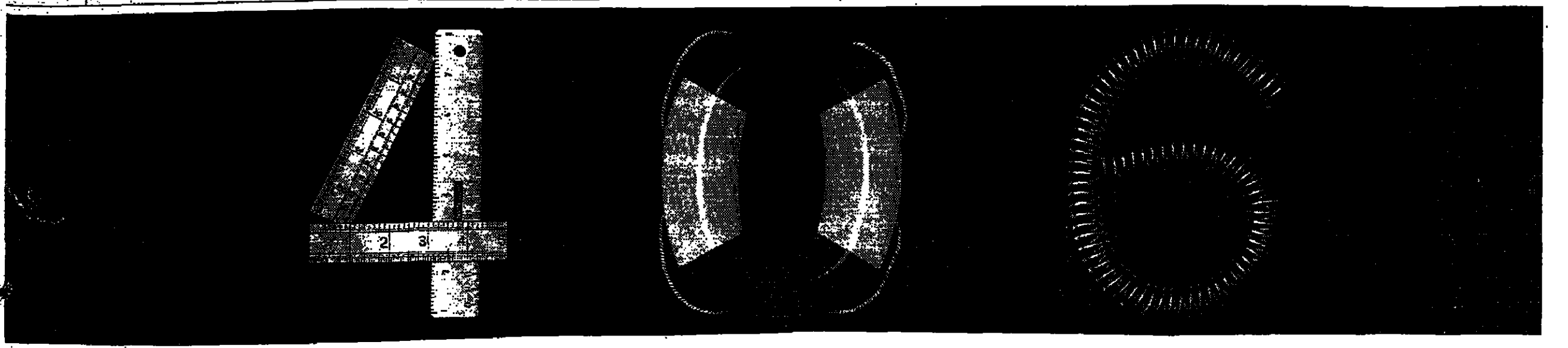
Ecstasy victim's agony
The parents of ecstasy victim Leah Betts told an inquest how she clawed at them in agony before collapsing. Page 3

PC guilty of smuggling
A woman police officer has been found guilty of helping her father in a gold smuggling scheme. Page 5

Today's weather
Fine and dry with some sunny spells. Section Two, page 29



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news

Kinnock in row over subsidy for state airline

COLIN BROWN
Chief Political Correspondent

Neil Kinnock was last night accused by Tory MPs of delivering a "kick in the teeth" for British Airways after Britain's European Commissioner for Transport approved a state subsidy of £440m for the Spanish state airline, Iberia.

Sir George Young, Secretary of State for Transport, led the criticism of the deal, the first controversial decision since the former Labour leader was appointed 12 months ago.

Tory MPs were furious that it could lead to unfair competition against BA, the former state airline which has made a profit since being privatised.

Mr Kinnock said the Commission was still committed to phasing out state subsidies for airlines, but said the money for the struggling airline was not state aid in the traditional sense.

But Sir George said: "UK airlines compete in Europe without subsidy. It is about time the Commission insisted that other airlines are also run on purely commercial lines."

"It really does stretch credibility to claim that a commercial investor would be willing to put any money at all into Iberia. It has been losing money for years."

Ministers will seek to embarrass Tony Blair, the Labour leader, today over the decision which they say has echoes of "Old Labour". A Labour source

defended Mr Kinnock. "He's just doing his job."

But Tory MPs, clearly sensing Labour could be thrown on to the defensive again, accused the former Labour leader of turning the clock back. Winston Churchill, the Tory MP for Davyhulme, said it was a "kick in the teeth" for British Airways.

"It is outrageous when we are trying to level the playing field within Europe by removing subsidies which distort competition," said Michael Colvin, chairman of the Tory backbench foreign affairs committee.

A former Tory aviation minister, Sir Michael Spicer, said "the system of allowing subsidies in Europe is very bad".

But Mr Kinnock hinted that the airline could qualify for Commission approval for about £100m more in aid from the Spanish government in 1997, if there were improvements in the company's performance.

He stressed it should not be seen as a signal to other loss-making airlines that the Commission will approve other forms of government support. He said he had only given approval after slashing the amount of aid to the airline and winning strict concessions to ensure no trade distortion with competing national airlines in Europe.

Iberia said it had been "vindicated" and that Mr Kinnock had ruled "that the capital injection is not state aid but sensible action of an interested shareholder".

Airline prosecuted for 'putting lives in danger'

CHRISTIAN WOLMAR
Transport Correspondent

The first criminal prosecution against a scheduled airline for endangering the life of passengers is being brought by the Civil Aviation Authority, after a British Midland jet with 180 people on board was forced to make an emergency landing when both engines ran out of oil.

The incident last year, on a flight from East Midlands to Lanzarote in the Canary Islands, occurred on the Boeing 737's first flight after routine maintenance at the airport. The flight, BD3141, on February 23, had just reached cruising height when the pilots noticed low oil pressure readings on both engines.

In a statement, the airline, Britain's second largest scheduled carrier, said that the lack of oil pressure had been caused when "two components which had been removed from the aircraft were not correctly repositioned". Both engines had smoke pouring out when the plane made an emergency landing at Luton.

British Midland is charged with two summonses under the Air Navigation Order 1989 for "negligent endangering" of both passengers on the plane and the public at large. The airline faces a maximum fine of £2,000 on each count. A two-year prison sentence can be imposed, but as the prosecution is being brought against the airline rather than any individuals, this is not relevant in this case.



Shades of eloquence: Methodist minister Lord Soper stands on a soap box in Tower Hill, London, yesterday, his 93rd birthday, to deliver one of his controversial sermons; he returned to his favoured themes in 69 years of preaching - socialism, republicanism and pacifism. Photograph: Brian Harris

Couples may adopt embryos

LIZ HUNT
Health Editor

Childless couples could be offered one or more of 3,000 frozen embryos now in storage at fertility clinics where contact has been lost with the biological parents, it has been suggested.

Health ministers are considering the "adoption" proposal made by Comment on Reproductive Ethics (CORE), described as a non-religious, non-political lobby group which wants more open discussion of the ethical issues surrounding test-tube babies - including length of embryo storage - and other fertility treatments.

It emerged recently that fertility clinics are unable to contact the owners or parents of at least 3,000 frozen embryos created when couples had fertility treatment up to five years ago. The surplus embryos were held in storage in case the couples wanted to extend their families.

However, current legislation dictates that the embryos should be destroyed after five years although Stephen Dorrell, Secretary of State for Health, has indicated that new regulations will allow embryos to be stored for up to 10 years.

Yorkshire Water offers bonus to drought staff

Yorkshire Water, which wheeled out the standpipes last August complaining that no one could have forecast the summer's drought, is to pay cash bonuses to staff who worked to keep supplies flowing to customers.

The company has promised to give thank-you payments to employees who worked excessive hours to stop rota water cuts being introduced in the region.

Despite the fact that Ian Byatt, director-general of the water watchdog Ofwat, described the situation at Yorkshire Water as "not acceptable", the company refused to rule out the possibility that its much-criticised executives could also get extra cash. The privatised water company has yet to decide who will receive the payments and how much they will get. But

it has confirmed that all 3,600 employees will be given an extra day off on 27 December, and that about £20 per head will be made available to departmental heads to organise a "team event" as an extra reward.

"The drought this year was an exceptional, one-off event, and it's thanks to the very, very hard work and long exceptional hours put in by many people that Yorkshire people have not suffered cuts to their supply," a company spokesman said.

Many employees had cancelled holidays at short notice and their family lives were disrupted, he said, adding: "All of us get paid for coming to work, but if people are asked to put in extra effort this company as a good employer will reward them. Payments will be made where they are best deserved."

and that could be at any level."

Peter Bowler, of the consumer group Yorkshire Waterwatch, said: "I think it's right that the people who did the hard work are rewarded for the effort they put in. But it's tragic that they were put under this stress because of management's failure to read the warning signs. Yorkshire Water needs to learn the lessons of this summer in more ways than one, and if senior managers and directors are rewarded for having failed to make the right decisions then customers will quite rightly demand a different board of directors."

All independent inquiry into the drought crisis, which left homes in Kirkstall and Calderdale without water for weeks of rota water cuts last autumn, is expected to be convened shortly.

Farmers' incomes up by a third

NICHOLAS SCHOON

Farmers' incomes soared by one-third last year. It is the fourth year running that agricultural incomes have grown in real terms - and they are expected to rise again appreciably this year. The farmers' rapidly rising prosperity comes after a decade of decline.

The Ministry of Agriculture yesterday said farming income, which covers only farmers and their spouses, had risen by 34 per cent between 1994 and 1995 - or 29 per cent in real terms - to just over £4bn.

The depreciation of the pound against European currencies and the high world price of cereals have helped boost income.

Pay rises enjoyed by chief executives at National Health Service trusts are running at twice the rate awarded to nurses, according to the latest returns. Union leaders yesterday registered their anger over research which showed that while the total earnings of the senior administrators increased by 7.6 per cent in the year to last March, nursing staff saw their average total pay rise by just 3.2 per cent.

Dr Souad Al Sabah

The settlement of a libel action brought by Dr Souad M Al Sabah, a member of the Kuwait ruling family, against the Independent newspaper was announced in the High Court yesterday.

on 12 May that Dr Al Sabah was seeking an injunction restraining publication of a book, *Thatcher's Gold*, which contained a serious libel.

In the High Court yesterday, the Independent offered "very sincere and unreserved apolo-

gies to Dr Al Sabah for having repeated the allegation complained of, which we acknowledge is totally without foundation."

The newspaper agreed to pay Dr Al Sabah substantial compensation and costs.

Independent body to review MPs' pay

FROM PAGE 1

"Our pay is adequate for the job we are required to do. And the only circumstance in which I would support a substantial rise was if that was a one-off compensation for MPs doing only one job."

Mr Ashdown, three of whose senior front-benchers signed the motion, said he was against the Nolan committee being used to review MPs' pay, because its remit was to investigate conduct. He added that it should be dealt with by an independent body.

While senior Labour front-bench figures sought to distance their own supporters from what they said had been informal briefings from Tory back-benchers that their salaries should be doubled to around £70,000 a year, Doug Hoyle, chairman of the Parliamentary Labour Party, nevertheless declared that "a life of dedication should not be one of exploitation."

Mr Hoyle, MP for Warrington North, said: "There will never be a 'good' time, in the eyes of the public, to look at MPs' pay. Now that the demand is growing for MPs to be full-time,

they have got to be adequately rewarded. If we are to attract people of the right calibre."

He added: "I believe that MPs' pay has fallen behind the pay of other European parliamentarians and other professions outside the House."

The issue has come to a head at an especially sensitive time, because the Cabinet is widely expected to approve pay increases within the inflation rate for nurses, teachers, the armed forces, doctors and dentists and civil servants.

Nevertheless, there was evident backing for the proposals from some ministers yesterday, several of whom pointed that £10,000 of their MPs' salaries was doctored every year thanks to a decision by Baroness Thatcher leaving Ministers of State at a salary at around £57,000 a year, with no opportunity for outside earnings.

Lord Nolan yesterday refused to say whether he sympathised with demands by MPs for higher pay. "At the moment, as far as we are concerned, it is a hypothetical issue, because it is not one of the functions of our committee to express a view on it," he said. "It is not within our terms of reference."

The 300 who want an inquiry by Nolan

This is a full list of the MPs who have signed a Commons motion calling for an inquiry into their salaries.

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Principal supporters: Margaret Ewing and Sir David Steel



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Nurse	£15,000
Social worker	£13,500
Hairdresser	£7,500
Waitress	£7,200

هَذَا مِنْ أَلَامِل

IN BRIEF

Young criminals
Each record high
Records number of young criminals have been placed under criminal supervision in the last 12 months, according to the Department of Health. Around 4,700 under-18s were required to report to probation officers or social workers under the good-behaviour rules in 1995, a 35 per cent rise on the last 12 months.

Two women stabbed
A 48-year-old and a 35-year-old woman were stabbed in the chest and abdomen in a flat in Brompton, London, on 17 March.

Mother charged
The mother of a 10-month-old child was charged with neglect after the child died of a heart attack while in her care. The child was found dead in his bed on 17 March.

Twins' double save
Identical twins, both under 10, were saved from a fire in a flat in Brompton, London, on 17 March. The twins were found in their beds, and the fire was quickly extinguished.

Murder charge
A 21-year-old man was charged with the murder of a 19-year-old woman in a flat in Brompton, London, on 17 March. The woman was found dead in her bed.

Gloomy days
A 21-year-old man was charged with the murder of a 19-year-old woman in a flat in Brompton, London, on 17 March. The woman was found dead in her bed.

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Nolan
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Leah's ecstasy death 'like horror film'

LOUISE JURY

The parents of ecstasy victim Leah Betts yesterday told a packed coroner's court of the terrible moments when their daughter clawed at them in agony before collapsing into unconsciousness.

In the evidence to Chelmsford coroner's court, in Essex, Paul and Janet Betts relived the night of Leah's 18th birthday last November when she took the ecstasy tablet that was to kill her.

After hearing that "ecstasy poisoning" caused Leah to collapse and die, the coroner recorded a verdict of accidental death.

Their heads bowed, Mr Betts's arm protectively around his wife's shoulder, the couple sat quietly as Sarah Cargill, a

long time friend of Leah's, described how the two girls had given up clubbing at Raquel's in Basildon, after an argument with a member of staff there. She said the two then preferred to stay in and though they had experimented with cannabis and amphetamines before, neither were regular drug users.

Miss Cargill explained that the girls had arranged to buy four tablets from a friend's new boyfriend. They were warned the pills were stronger than those they had tried before and on that Saturday night they had discussed whether to take a whole or just half a tablet.

They both swallowed a whole tablet at 7.45pm and waited for guests to arrive.

"I felt different from how I had on previous occasions but I still felt fine," Miss Cargill said.

Leah had drunk only moderately during the evening and had spent most of the time chatting with friends. She only became ill towards the end of the night when she began drinking "glass after glass" of water.

Taking up the story, Mr and Mrs Betts came close to tears as they described how their daughter stopped breathing within minutes of being taken ill in the family bathroom where she had gone to drink water.

Mrs Betts said: "I went upstairs and found her leaning over the washbasin. I said, 'What's up Leah?' She turned round and when I saw her eyes I knew there was something wrong. They were so big, they were enormous. It was like something out of a horror film."

As the couple carried Leah to her bedroom, she revealed to

them how she had taken the drug as she had done twice before. She then became increasingly ill, complaining of numbness in the face and legs, and of a headache and feeling sick. "She was clawing and screaming at me to help her," Mrs Betts said.

The teenager slumped into a deeper state of collapse just as her mother was put through to ambulance control. The couple began artificial resuscitation after Leah stopped breathing.

She was pronounced dead after showing no sign of recovery during five days of intensive care in Broomfield Hospital, Chelmsford.

Dr Alasdair Short, the consultant who treated her, said tests showed she had a much higher water level in her body than might have been expected

and was effectively suffering from "water intoxication". The resulting pressure on the brain stopped the part which controls normal functions, such as breathing, from working properly.

One of Britain's leading ecstasy experts, Dr John Henry of the National Poisons Unit at Guy's Hospital, London, said several cases in recent years had shown that the impact of drinking too much water to counteract ecstasy's effects could be just as damaging as the dehydration often associated with the drug.

He said in some people ecstasy reduced the kidney's ability to cope with water. Dr Paula Lannan, the Home Office pathologist, said that there were no safe levels of the drug.

Noting Leah's rapid deterioration took only a quarter of an hour. Coroner Dr Malcolm

Weir concluded: "If she hadn't taken the ecstasy, she wouldn't have had the problem."

Recording a verdict of accidental death caused by non-dependant abuse of drugs, Dr Weir paid tribute to the "stoicism and strength of character" of Mr and Mrs Betts who have campaigned ceaselessly against the use of ecstasy since Leah's death.

"I can only hope that all these efforts in bringing to a public forum all the dangers of ecstasy will be listened to by those people who expose themselves to this drug," he said.

"If it prevents one more fatality, Leah Betts's death will not have been in vain."

After the hearing, Mr Betts, a retired policeman, said the incident was "the end of a chapter". But he and his wife, Leah's step-mother, would continue



Leah Betts: Poisoned by drug

their campaign. "It's so pointless [young people] throwing their lives away for a couple of hours of fun," he said. "This verdict is a clear cut message... Nobody knows how this drug is going to affect you."

Vodka advert sealed with a gay kiss

MARIANNE MACDONALD
Media Correspondent

Virgin has teamed up with a London bar to create an advertisement that will show a homosexual couple kiss for the first time on British television.

The advertisement for Virgin Vodka will feature on the satellite music channel MTV for three months beginning in March. Later Virgin hopes it will get shown during a late-night slot on Channel 4, possibly after *The Glee Show*.

The advertisement jointly promotes The Edge, a busy gay and straight bar in Soho, and Virgin Vodka, which was launched in the London area in November 1994.

It shows 30 seconds of documentary clips from three hours' filming of a busy Friday night at the bar. One shot shows a heterosexual couple kissing and another two-second clip features two men kissing.

Other shots promote the vodka by showing the bar staff pouring from Virgin Vodka bottles and drinkers holding Virgin Vodka glasses.

The advertisement is likely to lead a trend towards overtly gay advertising, following a warm-up of the television viewing market by *Brookside* and *EastEnders*, both of which have featured young women having lesbian affairs.

Jackie McQuillan, PR manager for Virgin, said the advertisement had received clearance from the Broadcast Advertising Clearance Centre for screening on MTV from next month.

"It is targeted at the 18-to-35-year-old market where the pink pound is very strong. We'd be mad to ignore it," she said. "This is a way of opening up more realistic advertising. If that means showing gay couples than I hope that's the case."

Virgin has a 1.1 per cent share of the national vodka market, according to recent figures. By far the highest share is taken by the cheaper own-label supermarket brands, which together have about 40 per cent.

Alliance flotation means £2.5bn windfall

NIC CIGUTTI

More than three million members of Alliance & Leicester, Britain's fourth largest building society, will receive a share windfall worth at least £2.5bn, following the society's announcement yesterday that it is to become a bank.

Both the society's 520,000 borrowers and its 2.5 million share account members will receive shares worth about £800, in return for backing the flotation.

Alliance & Leicester's decision brings to an end a two-year de-mutualisation frenzy which has seen millions of savers, and tens of thousands of speculators, gain from a shares and cash bonanza worth up to £17bn.

Any investor who placed £100 in each of the Halifax, Cheltenham & Gloucester, National & Provincial, Woolwich and Alliance & Leicester before they raised minimum limits on new accounts last summer will have received at least £3,000 in cash and shares. Leeds Permanent members gain by their merger with the Halifax.

In the case of Alliance & Leicester, reports of its de-mutualisation, which first appeared in the *Independent* in September, eventually led it to raise its minimum limit to £5,000 and then to close its doors to all new accounts earlier this month.

The society claimed yesterday that the number of "carpet-baggers", those who opened accounts solely in order to benefit from the shares windfall, was likely to be minimal.

Peter White, the society's group chief executive, said: "We will allow all our members a share in the society." He declined to give any details of how the shares distribution will take place, arguing that a number of legal and regulatory hurdles had to be overcome before a decision could be made.

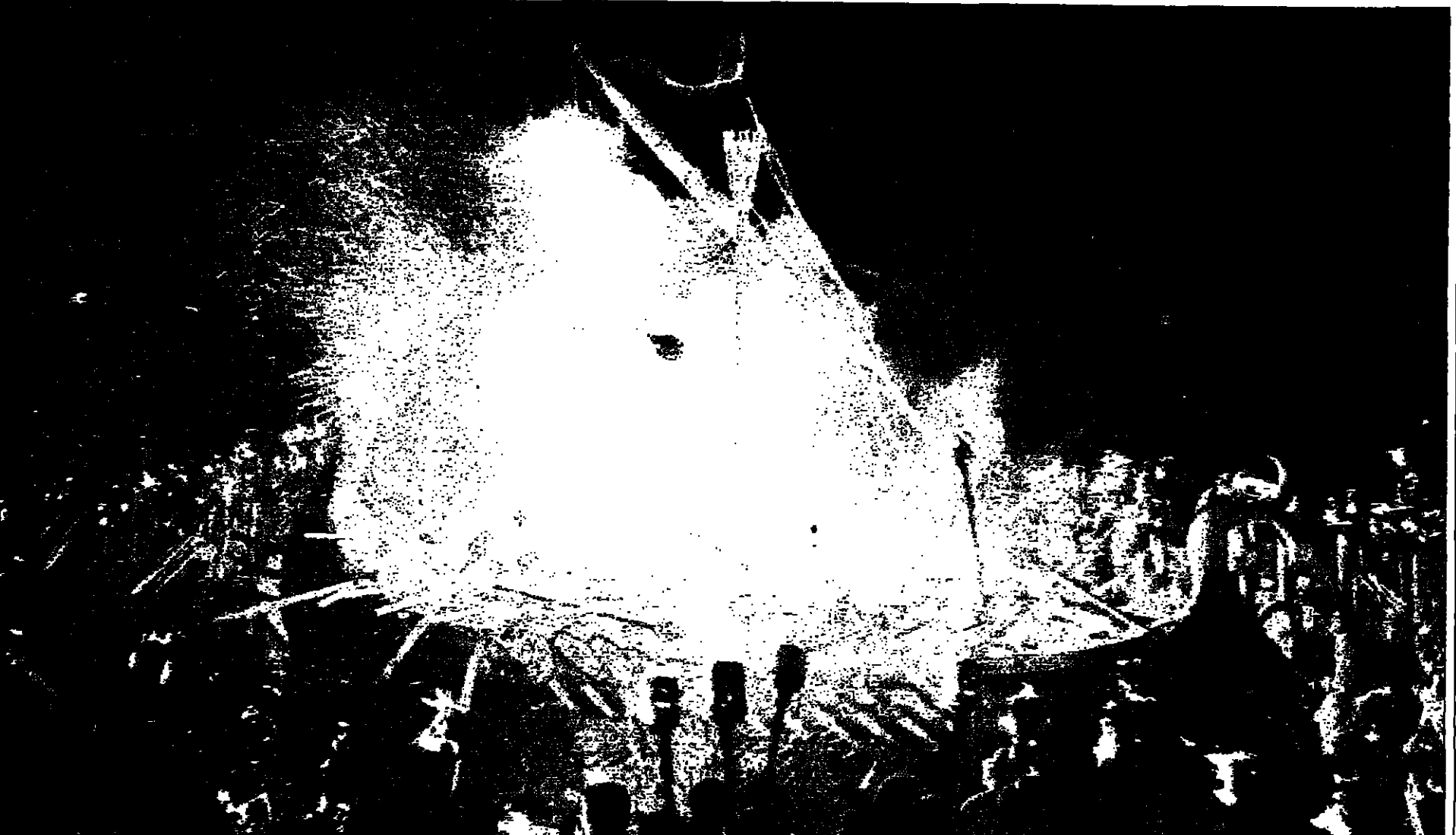
To freeze out speculators, Alliance & Leicester has also retrospectively set 31 December, 1995 as the cut-off date, after which new investors will not be able to benefit from its decision to float.

Alliance & Leicester said it would ballot its members before the end of the year. If the flotation is agreed, it would take place in March or April 1997, ahead of the Woolwich and Halifax building societies.

The decision to seek a listing on the Stock Exchange will catapult it into the FT-SE 100 list of top companies, with assets of more than £22bn.

Among its assets are Girobank, bought in 1990, which operates through almost 20,000 Post Office outlets and pays Giro cheques to millions of social security claimants. Alliance & Leicester plans to significantly expand Girobank's activities, including a range of simple savings products.

Business comment, page 17



Festival of fire: A Viking longship being set alight by 900 torch carriers at Lerwick, Shetland, as the climax of the midwinter pageant, Up-Helly-Aa Photograph: Graeme Storey

Killer tells of yacht robbery 'executions'

BOB GRAHAM
Antigua

The final moments in the lives of four people who were sadistically executed aboard a British racing yacht in the Caribbean were revealed yesterday for the first time - by one of the killers. Donaldson Samuel was one of the three men who furtively slipped aboard the 65ft ketch as it was moored overnight off the paradise island of Barbuda.

Yesterday he claimed in court that the intention of the three was robbery.

But in less than 15 minutes, the two British crew of the *Computa Center Challenger* and its two middle-aged American guests, were dead.

They had been trussed up, tortured and finally shot in cold blood after the killers failed to find a substantial amount of cash they believed was hidden on board the boat.

Rex Mackay QC, prosecuting in the case at Antigua's High Court, described the killings of ship's captain Ian Cridland, deck hand Thomas Williams and the guests, Kathy and Bill Cleave, as a senseless, savage and sadistic execution.

Unemployed Samuel, 23, yesterday changed his original plea of not guilty to an admission of guilt to manslaughter. It was accepted by the prosecution, who immediately put him into the witness box.

In an outline of his evidence last night, Samuel claimed he and the two other accused, 23-year-old Mellanson Harris and



Gunned down: Kathy and William Cleave aboard the Challenger, whose voyage ended in 'senseless savagery'

22-year-old Marvin Joseph, planned "to get some money at gunpoint".

He told the court: "It was all Marvin Joseph's idea."

The three young men stole a small rowing boat and paddled out to where the luxury ketch was moored, in Low Bay, Barbuda - where the Princess of Wales took a holiday last month.

Samuel told the court: "We crept on board the bigger boat and Marvin had the shotgun. He said he'd stick up the captain."

Over the next 15 minutes the three men tied up the four sailors, hands behind their backs, with their mouths taped. Samuel told the court how he searched the *Challenger's* cabins and found a video camera and a small amount of cash.

He added: "At that time I was on my own and that's when everything bad happened. The

crew were sitting around the table when I last saw them, they were healthy, still alive. I was ready to go back because we had finished what we'd come for, we just wanted money and I wanted to go."

"Then when I went back in they were all dead. They were shot. Shot by Mel and Marvin."

In a heated exchange with defence counsel, Clement Bird, Samuel denied he had changed his plea because he was afraid to die and wanted to escape the death sentence. "Everybody has to die someday and I'm not afraid," Samuel told the court.

Samuel claimed he changed his plea because he never had any part to play in the actual killings. He said he never realised the planned robbery of the *Challenger* and its occupants was to be "with violence."

The trial continues.

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Toads spring right-handed surprise

TOM WILKIE
Science Editor

Toads are right-handed, according to a team of Italian and Australian biologists.

In today's issue of the scientific journal *Nature*, Giorgio Vallortigara of the University of Udine, Italy, and his colleagues report that when common toads are forced to use their front paws to remove something from their face, they are much more

likely to use their right paw than their left.

Apart from a very few naturally ambidextrous people, human beings show a distinct "handedness". Most prefer to use their right hands for tasks involving delicate manipulation. Left-handers are less common.

Biologists have observed similar handedness in many other animals and "footedness" has even been observed in some

birds that use their claws to hold and manipulate objects. But "right-pawedness" among toads has come as a surprise. Biologists had assumed that the preference for one side or the other developed only in those animals that use hands, feet, claws or paws to pick up or hold food.

Although the human preference for one hand or the other clearly has an inborn component, the tendency to favour one

hand is then reinforced by continual use of the hands during infancy and childhood, so that one side of the brain comes to dominate in directing movement.

Toads use their paws in only limited ways, so the fact that they have a significant preference suggests that handedness and the changes in the brain that accompany it could have evolved very early in evolutionary history.

Traffic statistics: Accident rates in one part of west London have begun rising as motorists become blasé about safety measures

Speed cameras starting to lose deterrent effect

CHRISTIAN WOLMAR
Transport Correspondent

Motorists are increasingly ignoring automatic cameras, used to prosecute drivers for speeding or going through red lights, because they are becoming too familiar.

While there has been a reduction in accidents in west London, where a demonstration project was introduced two years ago, the rate has begun ris-

ing again as drivers become blasé about the cameras.

Yesterday, while unveiling the 300th camera site in London, Steven Norris, the road safety minister, said cameras had proved effective "in deterring speed in areas that in the past have suffered too many unnecessary accidents".

Figures from the west London project show that fatal accidents have reduced from 23 per year before the installation

of cameras to 7 per year afterwards. Similarly, serious casualties are down from 271 to 233.

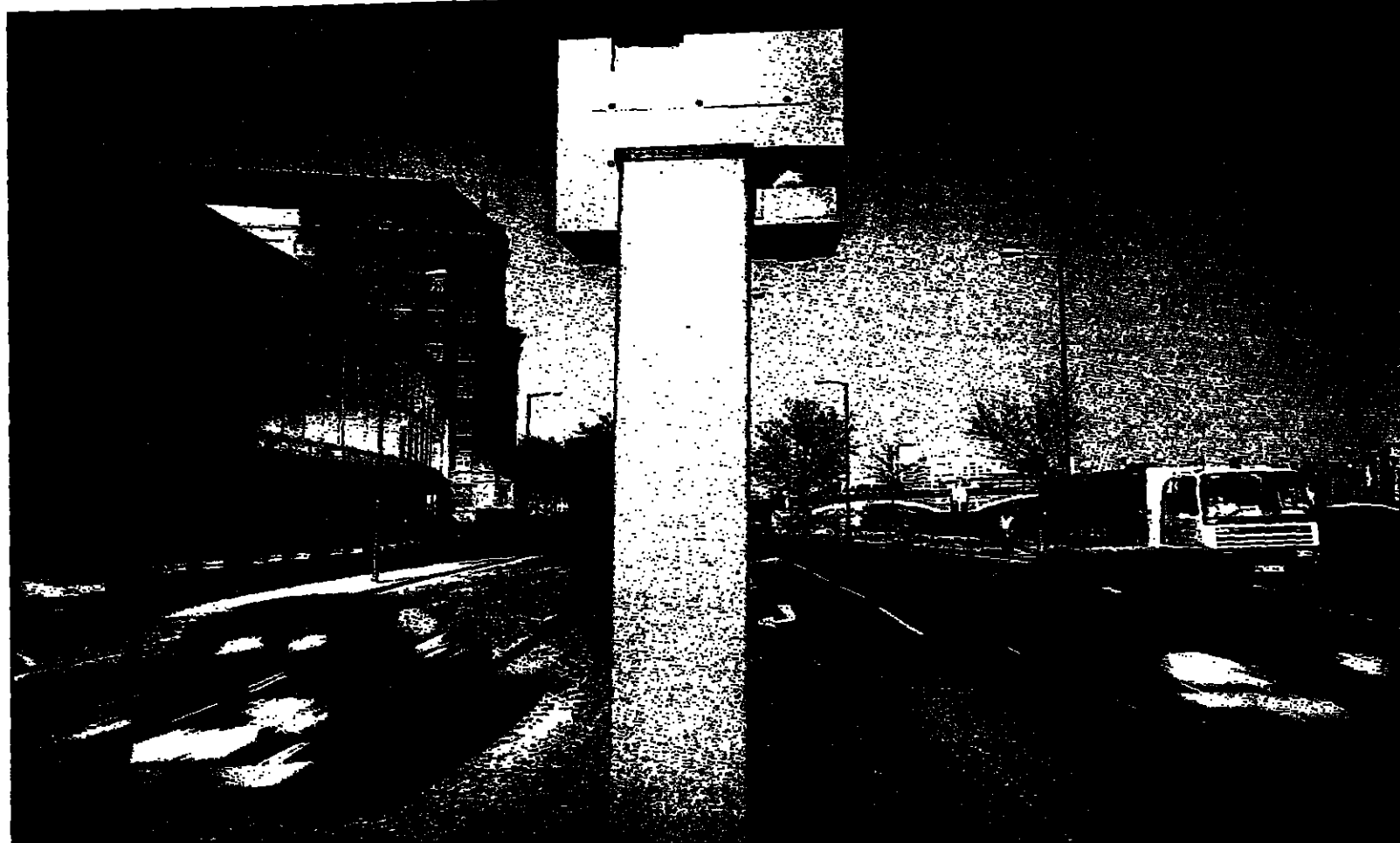
However, when the statistics are examined on an annual basis, they show that the year before the cameras were introduced, there were 1,267 accidents. This went down to 1,015 the following year, but rose again to 1,161 last year.

In terms of the number of casualties, the figures for the three years are 1,661, 1,324 and 1,544, showing that the rate is nearly back up to the level it was before the cameras were installed.

The police admitted, too, that there had been a 45 per cent increase in accidents caused by cars being driven too close to the vehicle in front, as a result of all traffic slowing down for the cameras, which are all clearly signposted.

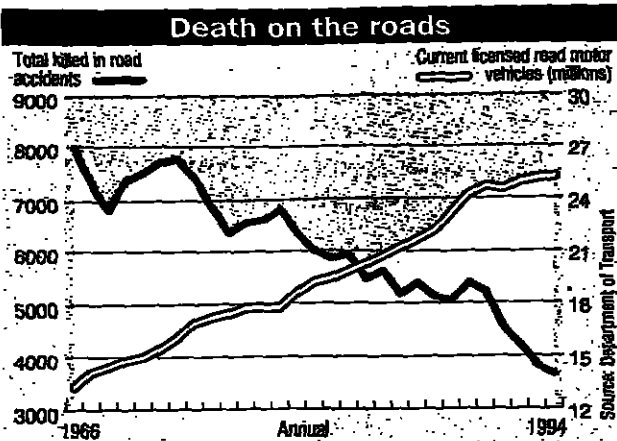
Mr Norris rejected suggestions that the deterrent effect on motorists reduced as they became familiar with the location of sites, but admitted: "The results won't go on plunging as they first did."

"Familiarity breeds a certain



Caught in the act: Traffic travelling along Millbank under the watchful gaze of one of the 300 cameras sited around London

Photograph: Edward Webb



contempt in all these things and the idea that road safety measures decrease in their success over time is one we are all aware of," the minister said.

Although there are 300 sites around London, many have only dummy equipment since

the actual cameras cost £27,000 each and the Metropolitan Police says it cannot afford to have a camera permanently in every box.

The dummy cameras still flash as if they were fully functioning and therefore still act as

a deterrent. Almost 15,000 people were prosecuted last year for speeding offences after they were caught by the cameras. Each received a £40 fine and three points on their licence.

Edmund King, campaigns

manager for the Royal Automobile Club, welcomed the reduction in accidents but warned that too many prosecutions might result in people not taking speeding seriously.

"With so many speeding fines being issued automatically, peo-

ple are treating them a bit like parking tickets," Mr King said. "The cameras should be concentrated at junctions and accident blackspots, but some of them are on straight stretches of dual carriageway, which is ridiculous."

Channel's missing link settled at last

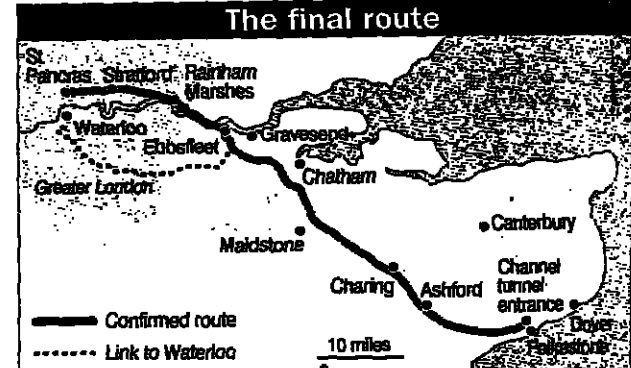
CHRISTIAN WOLMAR

After nearly a year's deliberations consisting of 320 hours of public sessions, the Commons committee examining the Channel Tunnel Rail Link Bill has decided on a final route for the new 68-mile high-speed railway - but has ducked the thorny issue of compensation.

In outlining its final decisions yesterday, the chairman of the committee, Sir Antony Durant MP, announced that the committee had resolved the final sticking points, notably the approach into St Pancras station in north London.

The link between St Pancras and the mouth of the Channel Tunnel near Folkestone is now not expected to be completed until 2003 because of delays to Parliamentary procedure caused by the high number of objections to the project.

Moreover, the committee has passed over the issue of compensation which threatens the project whose estimated cost has already overtaken the £3bn mark, in a letter leaked last summer. Sir George Young, the Secretary of State for Transport, warned that excessively generous compensation would jeopardise the viability of the rail



link. Instead of deciding on how much those affected - mainly owners of property which has lost value because of the line - should be paid, the committee has recommended that the Government create a working committee to reconsider the issue. The current state of the law, said the committee, "appears totally inadequate in situations in which a reduction in the price of a property is attributable to a project such as the link even though the property will not actually be physically affected."

This will be deeply unwelcome to transport ministers who have already faced a successful complaint to the Parliamentary Ombudsman by a

group of Kent residents affected by an earlier version of the rail link route.

The alignment of the route can now be moved only slightly - within about 80 metres - by the consortium appointed to build it. An announcement on whether London & Continental, which includes Richard Branson's Virgin group, or Eurotunnel, which includes the troubled Trafalgar House conglomerate, has won the right to build the link is expected within the next two weeks.

The successful promoter will be expected to complete the project which will be necessary to meet anticipated demand from rail traffic using the Channel Tunnel.

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Parents to sue hospital over death of babies

LIZ HUNT
Health Editor

Some parents of babies who died after heart surgery are to sue the hospital, it emerged last night, following a report that blames senior doctors and managers for ignoring concerns raised over several years by other staff.

No individual has been disciplined, despite failures highlighted by an internal investigation and an independent inquiry at Bristol Royal Infirmary (BRI), both published yesterday. Two surgeons involved in some of the deaths have given up operating on children.

Overall, the reports found the hospital's death rate for children under one year old for the five most common open-heart surgery procedures was 18 per cent; the national figure is less than 10 per cent. When this was extended to include less common surgical procedures, the death rate rose to almost 23 per cent, twice the national average.

Nine babies died out of 13 who had an arterial "switch" done by one of the surgeons in an 18-month period to October 1993. It was stopped because of a poor success rate but was done again in January 1994. After the death of that child the Department of Health banned the op-

eration at the hospital. There were six deaths among seven patients undergoing atrioventricular septal defect repairs carried out by the other surgeon.

The internal inquiry concluded it was a "matter of regret that there was not an earlier in-depth and objective investigation... to resolve concerns expressed by senior personnel" about these procedures.

Marc de Leval, a paediatric consultant at Great Ormond Street Hospital for Sick Children in London, who conducted the independent inquiry, said it was the first time such a detailed report had been published in the Britain. He concluded there was an urgent need for audit in the NHS and some mechanism to allow surgeons or institutions to assess their own performance. "It is quite possible that a number of institutions and/or surgeons have the same results [as Bristol] for some conditions..."

Robert McKinlay, chairman of the United Bristol Health Care Trust, now incorporating the BRI, confirmed that a "small number" of parents were involved in legal action against the Trust. He would not say if the hospital would contest the action. A new surgical team is in place at Bristol Children's Hospital and more than 100 operations have been done.

Drug war fear over St Paul's killing

MICHAEL PRESTAGE

Police were last night searching St Paul's in Bristol for gunmen, who shot and killed a man in the early hours of yesterday morning outside a notorious drug-dealing spot.

The man was shot in the chest at point-blank range as he sat in his Golf GTI car. He died two hours later in Bristol Royal Infirmary. It was the fourth shooting in St Paul's in just over a month and reinforces fears among Avon and Somerset detectives that the district is the setting for a "war zone".

The victim's 22-year-old brother was shot in the leg as he stood inside the Black and White cafe.

Two men were seen driving away after the shooting. Police last night confirmed the incident was believed to be drug-related and were hoping to speak to the victim's brother.

While the men responsible for the shooting were thought to be local, the area has also attracted gunmen from Manchester and the West Midlands.

Police investigating the murder of Evon Berry, a caretaker at a St Paul's community centre shot dead on New Year's Day, were last night still questioning a man arrested in Glasgow.

هنا من الأصل

news

PC convicted of gold smuggling



JASON BENNETTO
Crime Correspondent

A police officer was yesterday found guilty of assisting her father, a former constable, in a multi-million pound gold smuggling operation.

Lucie Gilmore, 25, who acted as a courier in a scam that netted more than £3m, burst into tears as she was convicted.

Gilmore and her father, Michael Gilmore, 53, were among a string of smugglers used by an Asian gang to collect three tons of high purity gold bars - worth about £20m - from Belgium, Knightsbridge Crown Court was told.

The bullion, in bars worth £8,000 each, was brought into Britain in cars at various channel ports. The VAT-free gold was then sold to an unsuspecting Asian community. A jeweller's shop in Handsworth, Birmingham, is thought to have been used as a front for the 18-month conspiracy, in which the smugglers made £3.4m by charging customers Britain's full 17.5 per cent tax.

Lucie Gilmore, a probationary police constable of Bridgnorth, Shropshire, and her father now face up to seven years in prison for conspiracy to evade VAT. She will be sentenced in four weeks, along with

her fellow conspirator Surinder Kumar, 32, a Birmingham jeweller, who was found guilty on Tuesday.

The young officer's father, who admitted his part in smuggling bullion, is due to be sentenced tomorrow. Gilmore said she intended to appeal.

During her trial, the jury was told that she had always looked up to her father and in 1992 she was accepted as a probationary constable in the West Mercia force. However, she was hiding a criminal past.

In 1991 she decided to help her father, who turned to gold smuggling after his firm of insurance brokers became heavily

in debt. She acted as a courier during at least four trips. By this time her father had already made 24 trips.

After buying the precious metal in Belgium, the conspirators collected it in Luxembourg, where no value-added tax applies. A jeweller's shop in Birmingham, owned by brothers Surinder Kumar and Jeevan Kanda, is thought to have been used as a front for the gold.

Kumar, 32, described as a "prolific courier" and a "trusted lieutenant" to his older brother, was arrested. Kanda, the "moving spirit" behind the operation, is still wanted after apparently fleeing to Dubai.

Customs investigators believed arrogance was the downfall of the pair. Gilmore had told her former boyfriend about her gold smuggling, but after he left her he threatened to expose her activities unless she repaid a £3,000 loan. Confident he would not be believed, the pair decided to call his bluff - and reported the threat to police.

Unfortunately for them, Customs officers had already spent months investigating the activities of other couriers. But until the pair walked into their police station in August 1994, no one had suspected their involvement. Days later the two were arrested.

Murder in Thailand: Funeral of backpacker comes on day her killer is sentenced to execution



Laid to rest: The coffin of Johanne Masheder being carried into St Michael's Church in her home village of Wincle, Cheshire, yesterday

Photograph: Craig Easton

Victim buried as Thai monk pleads to die

STEPHEN VINES
Hong Kong

The Thai monk who murdered Johanne Masheder, a 23-year-old British tourist, was sentenced to death yesterday as his victim was buried at her home village in Cheshire.

Three weeks after his arrest the Buddhist monk, Yodchat Suaphu, 21, yesterday asked the court to execute him at the site of the murder, near some caves at the tourist attraction of Kanchanaburi, close to the notorious bridge over the river Kwai where thousands of allied prisoners of war perished.

He said he wanted to die

within 24 hours, a request unlikely to be granted as all death sentences in Thailand are reviewed by the King, who does not respond within such a short space of time.

The trial and sentencing was brisk as Yodchat had pleaded guilty. Such pleas usually produce a reduced sentence but Judge Somchat Thanayavi Nichkul said that the death penalty was unavoidable because the defrocked monk had failed to reform his ways despite serving a two-and-a-half-year sentence for rape. He said the murder had damaged the reputation of both Thailand and the nation's religion, Buddhism.

A remorseful Yodchat spoke to reporters after the trial, apologising to Miss Masheder's parents who went to Thailand to search for her body. He said that he had not meant to commit murder but was out of control because of his drug addiction.

During the trial he admitted killing Miss Masheder - a newly qualified solicitor - and dumping her body in a cave. He also stole her camera and money totalling less than £10, which he said he needed to buy drugs.

Although he was not tried for the offence, Yodchat had also told the police that he was responsible for the rape of an Australian woman who wrote both to

the authorities and a Bangkok-based English language newspaper to warn other visitors of the dangers posed by a monk in Kanchanaburi. Her warnings led the police to Yodchat within a day of discovering Miss Masheder's body on 14 January.

The murder followed a number of sex, corruption and criminal scandals involving Thai monks which have caused an uproar in this devoutly Buddhist country. Criminals have been known to enter the priesthood as a way of both shielding their identity.

The priesthood in Thailand is more fluid than in other countries, many young men serve

some time as monks and it is common for Thais to enter and leave monasteries. There are now calls for tighter supervision of temples and monks and the government is being urged to establish a national identification system for monks.

At the funeral in Wincle, Cheshire, the Rev David Moir told mourners packed into the village church that Miss Masheder had been a "universally loved" young woman "of whom everyone was justly proud [and] about to set out on a well-deserved career in her chosen field".

However he said that her death on the last leg of a round-

the-world trip should not trigger a life of resentment and bitterness among her family.

"Grief is a debilitating thing and I am sure from what I know of Johanne that she wouldn't want us to hold on too much to this feeling which is anyway so enslaving," said Mr Moir.

After the service Mr Moir said that the death sentence would be satisfactory news to those who thought of God as a god of retribution.

"Retribution is the normal, human, knee-jerk reaction. Hopefully you will be able to have a more mature reaction later. It is all to do with how you think of God," said Mr Moir.

Police to exhume body in serial killer inquiry

Police will today exhume the body of a man suspected to be Bible John, Scotland's most notorious killer of recent times.

The early morning operation will be carried out at Stonehouse cemetery in Lanarkshire, where John Irvine McInnes was buried in a family grave in 1980. Genetic fingerprinting, carried out on a member of his family, has reportedly established a possible link between him and a woman who was killed in 1969.

Helen Puttock was one of three women murdered after being picked up at Glasgow's

Barrowland ballroom in the late 1960s. The murders have long been popularly attributed to a killer, nicknamed "Bible John", because of his reputed habit of quoting heavily from the Bible in conversation.

But some detectives at the time thought more than one man was responsible for the deaths.

A possible DNA link between the dead man and Ms Puttock emerged when forensic scientists checked unsolved murders in Glasgow to see if any evidence could be tested by modern techniques.

They are believed to have tested a semen stain on the clothing of Ms Puttock. But no such possible evidence is thought to still be in existence in the case of the two other murders, and police have only said they are following "a definite line of inquiry" in the case of Ms Puttock's murder.

Mr McInnes, who is believed to have committed suicide at the age of 41, was buried in 1980 alongside his father.

His mother, who died in 1987 at the age of 91, was buried in the same family grave.



'Bible John': A photofit

Electric eels spark hope on kidney stones

CHARLES ARTHUR
Science Correspondent

British scientists have discovered why electric eels do not get kidney stones but humans - and especially men - do.

After six years' work, a team at the Royal Postgraduate Medical School in London has discovered that a flaw in a gene on the female X chromosome leads to kidney stones - precipitates of calcium in the kidneys which harden into lumps and can cause excruciating pain while urinating.

Up to 1.5 million people in the UK aged over 25 are thought to suffer from the disorder, which can lead to complete kidney failure and costs millions of pounds every year in operations and treatments.

The researchers found that the genetic flaw causes the failure of a biochemical system which controls the movement of negatively-charged ions inside the kidneys. This means that positively-charged calcium ions are not dissolved into the urine.

A similar biochemical mechanism is used by electric eels to generate shocks: they shift negatively-charged ions rapidly around inside their cells to create a voltage, which is then used to ward off predators and stun prey. If an eel had the same genetic flaw as humans, it would lose its ability to give shocks.

Professor Rajesh Thakker,

Jails called to account for £1.6m overspend

The Prison Service faced fresh embarrassment yesterday when independent auditors found it could not balance its books - allowing governors to overspend their budgets by more than £1.6m, writes Heather Mills.

Richard Wilson, the permanent secretary at the Home Office, Richard Tilt, the acting director-general of the Prison Service, and Brian Landers, the director of finance, will be called on to explain the overspend to the Public Accounts Committee in two weeks time.

Jails will now have to make up for the overspend out of budgets already being reduced by 5 per cent in the coming year.

Yesterday Sir John Bourn, the Comptroller and Auditor General, said there had been "a breakdown in the monitoring and control of expenditure by the Prison Service".

It appears that prison governors, anxious to spend up to the limit of last year's budget, went on a last-minute spending spree. Some paid for goods and services in advance in contravention of government rules.

They turned a projected £20m underspend in just one month. Jails paid out £234m - over a tenth of their entire budgets - in March in order to beat the 1 April deadline.

Mr McInnes' 31-year-old son lives in Berkshire.

DAILY POEM

Time topples Statyllios like a doddery oak

By Myrinos

Time topples Statyllios like a doddery oak.
Death hauls the old queen off, but before he goes,
he solemnly dedicates to the God of Cock:
His summer frocks dyed Dargle puce
one shoulder-length, blonde, greasy lacquered wig
two glittering, sequined, high-heeled shoes
an over-the-top stuffed full of drug
and fumes and smell of cachous and booze.

Epigrams, inscriptions in verse to a god bearing a list of things that the dedicant intended to provide, were common in ancient Greece. This parody of the form was written by an unknown called Myrinos (1st Century) for his friend and fellow party-goer Statyllios. It is one of the poems that appears, translated by Tony Harrison, in an anthology of 99 Poems in Translation edited by Harold E. Blunt, Anthony Astbury and Geoffrey Godbert and published by Faber at £7.99.

New issue OUT NOW!



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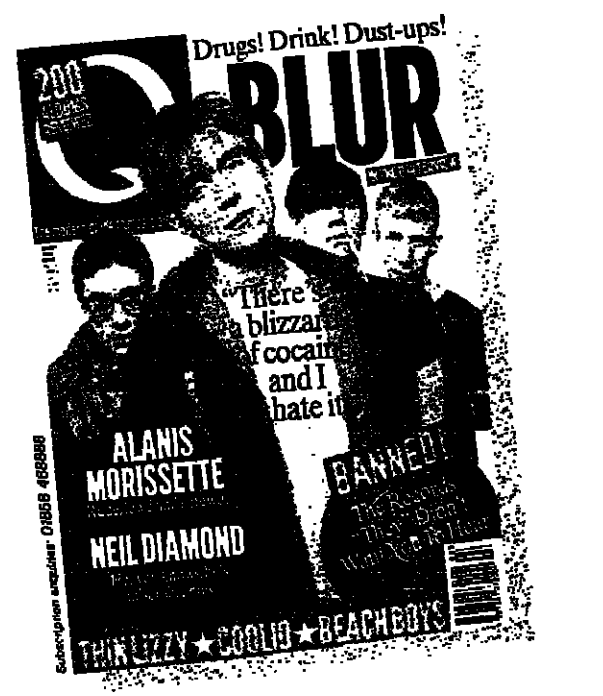


This month in Q, Damon Albarn comes clean about life in Blur: the fraught relationships, the financial rewards and his plans for a Great Escape from the Beatles of Britpop.

PLUS! Crack, kids and firefighting with Coolio; The showbiz childhood and all-Canadian angst of Alanis Morissette; Neil Diamond on marriage, moolah and misery, and - cue theramin! - the definitive story of the Beach Boys' sun-soaked '60s heyday.

ALSO! We're with the Banned! Q's guide to the records you weren't supposed to hear. And what the hell does The National Lottery think it is?

AND! in the world's only climate-controlled Reviews section: Lou Reed, Thin Lizzy, Beatles, Ministry, Eazy-E, and Babylon Zoo.



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Monklands problem refuses to go away

JOHN ARLIDGE
and JOHN RENTOUL

Labour hopes of drawing the line under persistent allegations of nepotism and corruption in Monklands council were dashed yesterday when Jim Brooks, the council leader, threatened to challenge the suspension of 15 councillors in the courts.

The party's National Executive Committee, meeting in London, decided to suspend the 15 from holding party office or

chairing council committees. A spokesman said the decision – to reinforce disciplinary action taken last year – was taken because there had been “mismanagement” by the council. But last year a Scottish Office inquiry cleared the councillors of allegations of favouritism and reserving council jobs for friends and relatives.

Mr Brooks told the *Independent*: “As soon as I receive the formal notification of the NEC’s decision, I will be seeking legal advice to try to over-

turn the decision. I have done nothing wrong.”

The NEC barred council leader Jim Brooks and 14 colleagues from holding any council or Labour group post during the first session of the new North Lanarkshire council, which takes over from Monklands council in April.

George Robertson, the Shadow Scottish Secretary, and Helen Liddell, the MP for Monklands East, welcomed the ruling, which they said “drew a line” under the long-running

“Monklandsgate” scandal. “This is time for new beginnings,” Mrs Liddell said.

But last night Mr Brooks said he would not accept the decision, raising the spectre of more embarrassment for Labour north of the border. He said that at least 10 of the 15 Monklands councillors elected to the new council were also planning legal challenges. They argue that after an official government inquiry cleared them of the allegations, any disciplinary action by the Labour Party is

unjustified and oppressive.

Tony Blair suspended the Labour group last year after a report commissioned by the party by Prof Robert Black QC alleged nepotism and sectarian discrimination. But a government inquiry, conducted by William Nimmo Smith QC found there had been no malpractice.

Among the allegations were claims that the mainly Catholic group of councillors operated a privileged channel for job applications, and had favoured the

mainly Catholic town of Coatbridge over mainly Protestant Airdrie when it came to spending decisions.

Dennis Skinner, the left-wing MP and NEC member, said yesterday that he had always maintained that the allegations were false. It was not surprising in close communities that a “handful” of council workers, out of over 2,000 employees, were related to councillors.

The late John Smith, the Labour leader and Monklands East MP, faced accusations

throughout his leadership that he had failed to act to clear up his own backyard, and the controversy dominated the by-election after his death. The party’s Scottish leadership and Helen Liddell, who narrowly won the seat for Labour, questioned spending policies.

The issue has been ruthlessly exploited by the Conservatives, leading to Labour charges that Ian Lang, the former Secretary of State for Scotland, deliberately avoided carrying out an official inquiry because

it suited Tory party interests.

Labour leaders were delighted when the Scottish Office’s belated inquiry failed to turn up evidence of serious wrongdoing, and hoped that public opinion had turned when Dover MP David Shaw turning up at the inquiry to repeat well-known charges. But the threat of a legal challenge to the party’s disciplinary action raises the spectre of the stream of unfavourable stories, which has lasted for three years, continuing up to the general election.

Labour victory could delay IGC summit

SARAH HELM
Brussels

A future Labour government would insist the conclusion of the Inter-Governmental Conference on European reform be delayed until at least six months after it is elected, to give a new Labour leadership time to fine-tune its European policies.

Such a delay would mean that the IGC, which begins next month, could stretch out for nearly two years, not ending until December 1997 – under the presidency of Luxembourg.

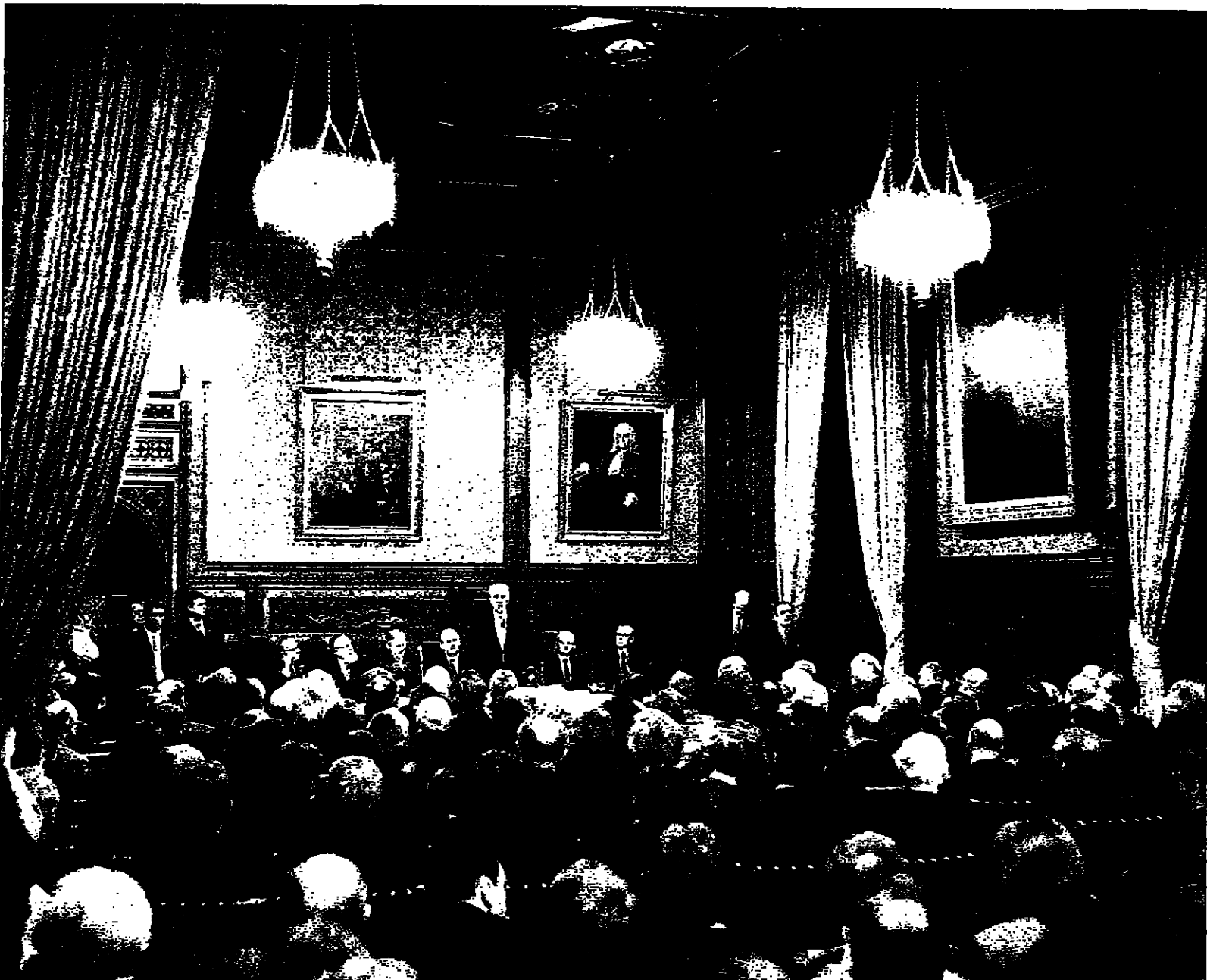
The conference, sometimes called Maastricht II, is expected to be just as controversial as the first Maastricht event. The final conclusions will test Europe’s commitment to deeper integration and the preceding negotiations will raise a range of highly sensitive issues for Britain. On the agenda will be issues which go to heart of national sovereignty, including use of the national veto and powers of the European Parliament.

It was originally envisaged that the IGC would conclude in 1996, which would almost certainly have been during the term of the present Conservative government. However, Britain’s European partners have already acknowledged that little progress can be made at the IGC, given John Major’s determination to block progress on several fronts.

The decision, in principle, has already been taken to delay the IGC final summit until June 1997, in the hope that Tony Blair, the Labour leader, will by then be in Downing Street, and might be less obstructive than the Tories. Labour sources now say that a June 1997 summit for the IGC would not give a new government time enough to prepare and the conclusion should be put off until the end of that year. An incoming Labour government would be immediately overwhelmed with urgent decisions on Europe, not only on the IGC, but also on monetary union.

Other European leaders will probably reluctantly agree to a further delay in the IGC conclusion, to give Mr Blair time to adjust. If there was a refusal to accept such a postponement a new Labour government might consider using its veto to force one, party sources say. The IGC conclusions have to be unanimously agreed.

Most European leaders believe Labour will be more positive on Europe than the Tories, although they are realistic about what Mr Blair can deliver. So far Mr Blair has shown extreme caution on European issues. While Labour has said it will accept the social chapter and is prepared to consider more majority voting in limited areas, there is no sign that Britain will take a radical new pro-European track.



Distinguished guest: The Israeli Prime Minister, Shimon Peres, addressing MPs in the members’ dining room at the Commons yesterday. John Major paid tribute to the success of the Palestinian elections after talks with Mr Peres at Downing Street. Photograph: Brian Harris

Talks to include elections

COLIN BROWN
Chief Political Correspondent

British ministers will seek to reassure the Irish government today at a summit in London that plans for early elections in Ulster are in line with recommendations for disarming the IRA, made by the international body under US Senator George Mitchell.

Sir Patrick Mayhew, the Secretary of State for Northern Ireland, will try to overcome Dublin’s opposition to the elections plan in a meeting with Dick Spring, the Irish Foreign Minister.

John Major will later meet David Trimble, the Ulster Unionist leader, as part of an urgent round of talks with party leaders to keep the peace process on track. The Prime Minister last night met Ian Paisley, the DUP leader, to discuss the plan for an elected body, leading to all-party talks.

The Unionists have proposed that the body could last for two years, but after talks with John Hume, the SDLP leader, who is opposed to the plan, Mr Major is keen to ensure that the Unionists will accept a time-limited body.

John Bruton, the Irish Prime Minister, yesterday underlined Irish anxieties about the plan in the Dail by urging the British Government to stick to the Mitchell commission report, which suggested that the decommissioning of IRA weapons could take place at the same time as all-party talks.

Rifkind takes Blair to task on EU social chapter ‘opt-in’

PAUL WALLACE
Economics Editor

Tony Blair’s claim that Britain could safely opt in to the European social chapter was “at best disingenuous, at worst dishonest”, Malcolm Rifkind, the Foreign Secretary, told top industrialists.

In a hard-hitting attempt to counter Labour’s charm offensive with big business, he said that accepting the social chapter would damage industry and threaten Britain’s wealth and prosperity.

However, a spokesman for the Labour leader later said that Mr Rifkind’s portrayal of the effect of signing up to the social chapter was misleading and wrong.

The dispute erupted after Mr Rifkind took Mr Blair to task for a speech he made last year to the Confederation of British Industry’s conference.

The Labour leader used the occasion to argue that the so-



Rifkind: Hard-hitting attack

cial chapter was a set of principles rather than detailed legislation, and that he had no intention of agreeing to “anything and everything that emerges from the EU”.

Addressing the CBI Council, Mr Rifkind said that this argument was fallacious.

Britain’s “opt-out” from the social chapter, won at Maastricht in 1991, was a source of competitive advantage.

By signing up to the social chapter, Britain could subsequently be overruled by other European countries, under the system of qualified majority voting, in a number of key social policies such as health and safety and working conditions.

If Mr Blair did not know that, said Mr Rifkind, “then he has not done his homework. If he does know it, he should have admitted it.”

Furthermore, said the Foreign Secretary, Labour was committed to removing the right of veto in areas of social policy, including social security and redundancy, where unanimous voting was currently stipulated.

A spokesman for Mr Blair said that he stood by his speech. The social chapter was not a predetermined list of costly provisions but a mechanism

for determining European wide legislation.

By signing up to it, Britain had the chance to influence proposals rather than simply have them imposed by multinationals. Labour had specifically ruled out extending qualified majority voting to social security. To date, the only significant directive to have emerged from the social chapter is the legislation for European transnational to set up consultative works councils.

Embarrassingly for the Government, a number of British firms, including Coats Viyella, BP Oil and United Biscuits, have elected to implement this directive in the Britain.

The only other directive currently in the pipeline is one on parental leave. A spokesman for the European Commission said that a further extension of qualified majority voting to areas currently covered by unanimity would require a change to the treaty.

Labour ‘taskforces’ to tackle election

JOHN RENTOUL

Labour yesterday approved the machinery for fighting a long general election campaign, as the party’s National Executive Committee approved a blueprint drawn up at a management school to assign staff to 11 “flexible and non-hierarchical taskforces”.

To clear the way for the campaign, the NEC also decided unanimously to abandon the legal battle to save its policy of reserving half of “winnable” parliamentary seats for women.

This will allow the speedy completion of the stalled process of choosing candidates.

The “project-based” taskforce structure is designed to “build a machine which is capable of delivering a first-class general election campaign”, according to a document presented by party general secretary Tom Sawyer.

The document, on “priorities and targets” for 1996, was drawn up using ideas on “project management techniques” studied by a group of NEC members at the Cranfield School of Man-

agement. It refers to the party’s new “mission statement”, one of the key goals of which is “securing victory at the next general election”, and says: “To ensure we achieve our goal, we have put in place a radical new structure that is flexible and responsive.”

Labour advertised on Monday for six staff, including three media monitoring officers, members of the Media taskforce, to “monitor broadcast and print media 24 hours a day and spot opportunities for Labour”.

Other taskforces include Projection, charged with achieving

a “coherent visual presentation strategy across all media”, Rapid Response, to provide “campaign information and rebuttal to politicians and the party” and Key Campaigners, to back up leading Labour politicians and “establish a database of endorsements from the business, art and sports world”.

The document, which also looks at how to strengthen the relationship between a Labour government and the party, promises measures expected to reduce trade union representation on the NEC.

Thames safety moves accepted

PETER VICTOR

The Department of Transport has accepted most of the 12 recommendations made by the *Marchioness* inquiry jury to improve safety on the River Thames.

A total of 51 people lost their lives when the small party boat *Marchioness* was struck by the gravel barge *Bowbelle* in

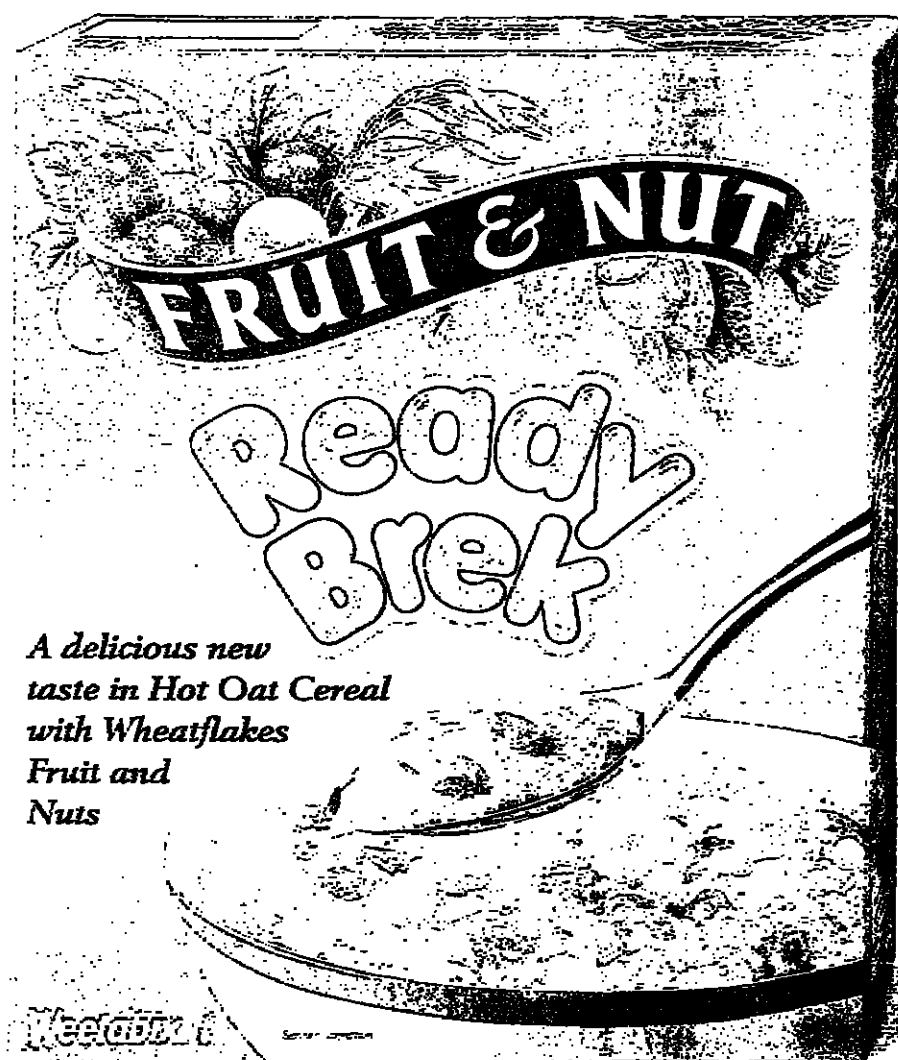
the early hours of 20 August 1989.

The second inquest into the deaths returned a verdict of unlawful killing last April, and the jury recommended 12 safety improvements, ranging from the increased provision of lifeboats to an alcohol limit for seamen on duty.

Responding to a Parliamentary question yesterday, ship-

ping minister Lord Goschen said that the DoT had accepted the majority of the recommendations.

But the Department rejected the jury’s call for all passenger launch crew – including bar staff – to wear inflatable life-jackets at all times while the craft was waterborne, saying it would not be practicable to do so.



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international

UK ready to challenge aid for poor of Europe

SARAH HELM
Brussels

Britain is threatening to ask the European Court of Justice to stop the Brussels Commission spending money on projects aimed at helping the poor, such as a controversial scheme for the rehabilitation of prostitutes.



Padraig Flynn: Project is 'innovative and creative'

Stephen Wall, Britain's permanent representative to the European Union, has written to the Commission accusing it of spending money on combating "social exclusion" without any "legal basis." Unless the Commission justifies its action by the end of February, the letter strongly implies that the Government would take the Commission to the European Court.

The Government argues that the projects, costing a total of 9m euros (£7m), have not been agreed under the EU budget and are an underhand attempt by the Commission to take new powers, particularly in the social policy field. The objection is an attempt to ensure good book-keeping, British officials say.

A broader programme against social "exclusion" has already been blocked by the Council of Ministers, after objections not only from Britain, but Germany. Officials in Brussels, however, argue that these particular projects are allowed

under the budget and do not fall under the broader programme. The British threat is another attempt to undermine support programmes aimed at combating the spread of a European underclass, they contend.

The British move coincides with new government attacks on the European Social Chapter, which are seen in Brussels as part of a pre-election drive to curry favour with Tory Eurosceptics. "The Conservatives do not want European action to tackle poverty. That is why the British government is opposed to the programme for combating social exclusion," said Terry Wynn, a Labour member of the European Parliament and budget committee spokesman.

The Commission published its proposals to combat poverty 10 days ago. A total of 86 projects were outlined which Padraig Flynn, the commissioner for social affairs, said were "innovative and creative".

It proposed giving grants to small groups helping disadvantaged people with very specific problems. However, the ultra-liberal colour of the programme was bound to raise the hackles of Conservative Eurosceptics.

Several of the projects listed were straightforward, such as helping prisoners and long-term unemployed reintegrate into normal life. However, also included were less mainstream proposals such as a plan to offer "social integration" to very poor travelling families or to "integrate former prostitutes into the labour market".

The latter plan provoked screams of horror from the Tory press. The *Daily Telegraph* ran a leading article headlined "The Whores of Brussels" which officials in Brussels described as "sick".

"The British often appear to care more about the welfare of animals than for the disadvantaged and the poor," said a Commission spokesman last night.



Street panic: Blood-stained office workers racing away from the bomb-damaged area in Colombo yesterday

Photograph: Reuters

Fanatical Tamils take revenge for Jaffna

TIM MCGIRK
New Delhi

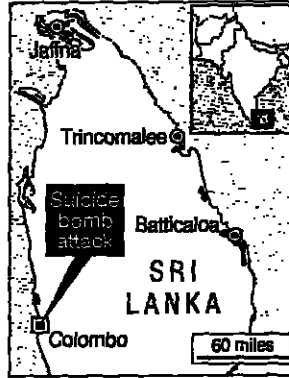
That a bomb should explode yesterday in Colombo surprised nobody. Ever since the Sri Lankan army took the Tamil Tiger rebel stronghold in Jaffna in December after a 50-day battle, it seemed inevitable that the Tigers would strike back with their favourite weapon: the suicide bomber.

Sri Lanka cannot armour-plate itself against these Tamil fanatics who are willing to blow themselves up along with whatever target their commanders select: a politician, a few generals, a president, oil depots, a naval vessel, and now dozens of innocent office workers. No country can, certainly not poor Sri Lanka, its treasury emptied by 12 years of civil war against the Tamil minority.

Other suicide bombers will undoubtedly be dispatched to Colombo by the Tamil Tigers' chief, Velupillai Prabhakaran, after he treats them to a final supper at his jungle hideout. It might be weeks before they arrive, or just days. But the residents of Colombo know they will come to kill.

The security forces in Colombo are tied down protecting government officials, most notably the President, Chandrika Kumaratunga, whose home is now a fortress ringed in barbed wire and an anti-aircraft gun on the roof. Overstretched already, the police cannot protect Colombo's citizens. News agencies reported that hundreds fled Colombo yesterday, fearing that another suicide bomber might be stalking the city.

The easiest exit from this nightmare is for Mrs Ku-



maratunga to make peace with the Tamil rebels. The biggest obstacle to a deal has always been the Tigers' fanatical leadership, who have nothing to gain from peace. But for a few weeks after their defeat in Jaffna, hopes rose for a settlement. Not any longer, however. Few among the 400,000 Tamils who were made

refugees by the fighting in Jaffna have returned to their area "liberated" by the government. Even if ordinary Tamils wanted to, the Tiger rebels will not allow them to go back to their towns and rice paddies.

Mrs Kumaratunga's strategy was to strike at the rebels and then offer a political solution: a devolution package which would give the predominately Tamil states in the north and east of the island more autonomy.

But extremists among the country's Sinhalese majority refuse to let her be generous to the Tamils. To get the devolution plan through parliament and then a referendum, she has watered it down so much that even moderate Tamils are backing away from her.

Under the new draft, Colombo will keep the right to dissolve the regional councils and police

the regions, which the Tigers will never allow. Many of the Tamils, who are either Hindus or Christians, are also alarmed that the devolution package seems to give extra favours to the Sinhalese Buddhist clergy.

Militarily, the Tamil Tigers are far from defeated. Not only can they deploy their suicide bombers inside the heart of Colombo, but the Tiger commanders have stepped up their attacks along the eastern coast. Even in the supposedly secure Jaffna peninsula, Tiger sharpshooters were reported to have brought down one of the air force's few helicopters, killing all 39 people aboard. At one point, Mrs Kumaratunga was even prepared to offer Tamil rebels an amnesty, but after yesterday's massacre in Colombo, such a move would outrage the Sinhalese majority.

Nazi era grave found in Austria

ADRIAN BRIDGE
Central Europe Correspondent

Austrians have had a chilling reminder of the country's Nazi past with the discovery of a mass grave containing the remains of what were almost certainly Jewish victims of the Holocaust.

The grave was discovered late on Tuesday by labourers working on a new power plant near the town of Lambach. It is close to the site of Gusen, a satellite of the Mauthausen concentration camp. It contains the skeletons of 10 men aged between 19 and 22. According to the Nazi hunter Simon Wiesenthal, the victims were probably Hungarian Jews who perished on one of the death marches between concentration camps in the last few weeks of the war.

All building work on the site was halted yesterday as government officials and Jewish experts tried to establish who the dead were and whether there were any more remains in the area. If it is confirmed that the victims were Jewish, the power plant project could be in jeopardy as, according to Jewish law, bodies should not be disturbed or reburied.

"A Jewish cemetery is a cemetery for eternity," said Paul Grosz, President of Austria's small surviving Jewish community. "The peace of the dead cannot simply be forgotten and subordinated to existing or perceived necessities." The company building the hydro power plant promised to treat the dead with "adequate piety", but said it saw no reason to abandon the project.

The proposed power plant has been the source of bitter controversy for years, with ecological groups arguing that it was both unnecessary and a threat to wildlife and woodland.

According to Mr Wiesenthal there were more than 100 mass graves in Austria, some containing more than 1,000 bodies. Many were unearthed in the years immediately after the war. But some, like that believed to have been found at Lambach, never came to light as Austrians collectively sought to suppress the memory of their participation in the Nazi regime.

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ing your answer, name, address and telephone number to: The Independent/Fly Now Pay Never Day 11, PO Box 7298, London E14 9BB by no later than 3 February 1996. The winner will be picked at random after entry closes, from all correct entrants.

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US cools Aegean islands clash

HUGH POPE
Istanbul

A four-day confrontation between Turkey and Greece, both Nato members, over ownership of an outcrop of rocks in the Aegean Sea was brought to a peaceful end yesterday by the telephone diplomacy of the American trouble-shooter Richard Holbrooke.

Calling repeatedly from Washington, he turned his negotiating skills from Bosnia on to the conflict over three barren football-pitch-sized Aegean islets.

Pressure to disengage was also put on both sides by President Bill Clinton and the US Secretary of State, Warren Christopher, the British Defence Secretary, Malcolm Rifkind, and the UN and Nato secretaries-general.

The crisis over the outcrops — known as Imia in Greek and Kardak in Turkish — ended in the early hours of yesterday. The only casualties were the three-man crew of a Greek helicopter, missing after it crashed.

Both sides agreed to remove their flags, pull back 20 odd warships, stop warplane sorties

and withdraw troops. Greece sent nine soldiers to an island on Sunday, while Turkey landed 12 commandos on its neighbour yesterday.

Turkish leaders presented the commando action as the event that forced Greece to reconsider its position. After a night on the rocks, the Turkish troops stepped triumphantly off their inflatable attack craft to the cheers of local fishermen.

"There is no agreement as such. We were informed of the Greek intention to withdraw to the status quo ante. This was our original position, so we wel-

comed that. It's a victory for common sense," said the Turkish foreign ministry spokesman, Omer Akbel. Turkey's caretaker Foreign Minister, Deniz Baykal, spoke of a victorious outcome, but the Greek and Turkish governments were attacked by their opponents at home for having given way.

The quarrel flared last week when a Greek television station showed an Orthodox priest leading a delegation on to the barren outcrop to plant the Greek flag. A Turkish media group then sent in a helicopter on Saturday with reporters who

took down the blue and white Greek flag and raised a red and white star and crescent. Next day, the Greek navy arrived.

In Athens, the Greek Defence Minister, Gerassimos Arsenis, defended the withdrawal accord as the best possible course of action. "The fire-power was immense and any incident could have led to all-out war. We are returning to the status before the crisis," he said. But the conservative opposition demanded that the new Greek government of Costas Simitis resign. "The removal of Greek troops and the lowering of the

Greek flag constitute an act of treason," Miltiadis Evert, leader of the New Democracy party, told parliament.

Mr Baykal said he hoped Greece would agree to sit down and negotiate over 1,000 rocky outcrops that dot the Aegean Sea between Greek islands and the Turkish mainland. Ankara thinks international law favours it over outcrops closer to the Turkish shore than the Greek mainland, like Imia/Kardak. Athens, however, says that the 1947 agreement under which Italy ceded the Dodecanese gives everything to Greece.

international Turkish police 'tortured by colleagues'

Istanbul — For the first time, the Turkish media have taken on the security forces and won an important victory in a battle to end the torture, disappearances and murders that have stained Turkey's human rights record, writes Hugh Pope.

A sustained campaign has forced the Turkish government to suspend 15 riot police after an investigation found that a left-wing photo-journalist, Metin Goktepe, 27, had been beaten to death in police custody in Istanbul on 8 January.

There were even accusations that police had been torturing other policemen to find out what happened to Goktepe. One policeman, Coskun Ozturk, told a television station: "They called us over to headquarters. Then the fists and punches came. They hit my chest and back and head."

Both investigators and Goktepe's newspaper, *Evensel*, doubted Mr Ozturk's claims. But he struck a chord and the airwaves filled with police calls of protest to superiors.

"Distressing practices have distressing results. It looks like the police are sharing in this distress," said Turkey's minister of state for human rights, Adnan Elimen. But the Goktepe affair, said Mujgan Atilgan, news editor at *Evensel*, has been "a turning point. It is the first time such a 'mystery murder' has been solved like this. And the police have certainly

stopped harassing journalists so much."

The affair proved the new power of Turkey's media, especially the 15 national television channels. Unlike the cases of more than 40 journalists killed in the past five years the media did not let go of the story. Police chiefs and ministers were forced to squirm on television as they rehearsed official claims that Goktepe had "not been detained", "fell off a wall" or "collapsed on a park bench". But witnesses soon told the true story.

The caretaker Prime Minister, Tansu Ciller, who sent a secret order to police stations a year ago to try to put a brake on torture, quickly ordered the truth to be exposed. But exposure is all that has happened so far to the 15 policemen who were suspended and another 40 under investigation.

There is also doubt about how far the government wants to go against the police, whom Mrs Ciller described as "the people's darlings". The police have improved, but Mrs Ciller's claim that Goktepe's killing was the result of "individual acts" seems absurd in the light of information from the Ankara-based Human Rights Foundation, which reported that in 1994, 32 people died of torture in detention. Another 49 disappeared, presumed dead, while 423 died in unsolved "mystery murders".



Going cheep: People in Budapest reach for chickens being given away yesterday by Hungarian farmers protesting over subsidy changes

Photograph: Laszlo Balogh/Reuters

No happy birthday for the President

PHIL REEVES
Moscow

Boris Yeltsin is 65 today, a birthday most Russians regard as an opportunity for a big party. If only because it is six years above the national average life expectancy for a man. But there will be no fireworks in Red Square, no official banquet. The President has precious little to celebrate.

Aides say he plans to mark the occasion quietly with his family. As he does so he will have ample opportunity to reflect on the problems gripping his administration. With less than five months to a presidential election, Mr Yeltsin is becoming increasingly isolated.

Evidence has yet to emerge that his latest efforts to salvage his flagging fortunes — by tossing out liberals from his government, cracking down on Chechen political activism and promising to throw money at Russia's poor — have won him any new friends.

But there are plenty of signs they have lost him old ones. Al-

Yeltsin's juggling act: Problems mount in run-up to poll



Yeltsin: Birthday boy with little to celebrate

most all Russia's liberal-leaning pro-reform factions boot with laughter if you say "Yeltsin" and "Democrat" in the same breath, despite President Bill Clinton's insistence that his old friend is still a committed reformer. "He has lost all the credentials of a democratic candidate," said Sergei Kolmakov, a political consultant.

One reformer after another has severed ties with the President, including four members of his defunct advisory body, the Presidential Council, who resigned in protest over his move towards authoritarianism. But none made more of an impact than Sergei Kovalyov, who quit last week as head of Mr Yeltsin's human-rights commission. He fired off an open letter to his ex-boss, published yesterday in the *Moscow Times*, which stands as a measure of the chasm between Mr Yeltsin and the pro-reform lobby.

It was naive to think democrats remained in power in the Kremlin, he said. Mr Yeltsin had

"virtually halted judicial reform", granted "exceptional extra-legal authority" to the security services, engaged in a "shameful and bungled civil war" in Chechnya, blocked military reforms, signed secret decrees, created closed institutions and become increasingly dependent on spies for his information.

"You began your democrat-

ic career as a forceful and energetic crusader against official deceit and party disposition," wrote Mr Kovalyov, "but you are ending it as the obedient executor of the will of the power-seekers in your entourage."

And there are plenty of these. Although a few liberals still lurk fearfully in the shadows of the administration, Mr Yeltsin's inner circle is dominated by hawkish former apparatchiks and security men, whose company the President has always preferred to that of the whizz-kid economists and academics who accompanied the first wave of post-Soviet euphoria.

For all this, the battle is not yet lost for Mr Yeltsin, who appears certain to run for a second term, although he has not formally declared his candidacy. His national power base looks alarmingly thin, little more than a scattering of those Russians who have made money through free-market reforms (legally or illegally) and officials loath to lose office.

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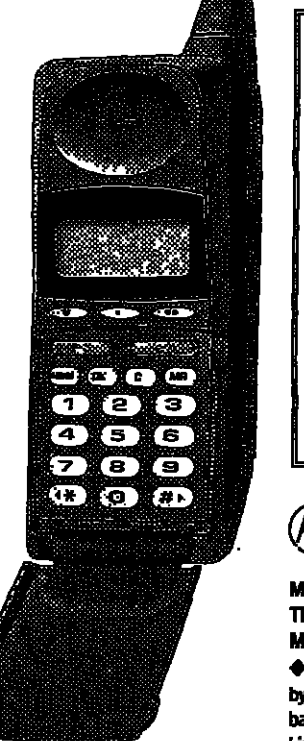
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German poll shows deep fears of EMU

TONY BARBER
Europe Editor

In another blow to the European Union's plans to create a single currency, an opinion poll published yesterday suggested that out of five Germans oppose a monetary union or want to delay it beyond the 1999 deadline imposed by the Maastricht treaty. According to the Forsa Institute's survey, published in the Hamburg weekly *Die Woche*, 43 per cent of Germans do not want a single currency.

41 per cent want to postpone the launch date beyond January 1999, and only 10 per cent want to stick to the Maastricht schedule.

It was one of the highest levels of scepticism about monetary union ever recorded in Germany, and indicated that the government of Chancellor Helmut Kohl, will have an uphill task in persuading public opinion to embrace the Euro, as the single currency was christened last December.

Many Germans suspect the

Euro may be weaker than the mark. They are not convinced by Mr Kohl's argument that monetary union will be good for business and jobs.

The poll was published as France's labour ministry announced unemployment had risen in December to 11.7 per cent from 11.5 per cent in October, the last recorded month. More than 3 million French are without work. Among people under 25 the unemployment rate has risen to 23.2 per cent.

French critics of the Maa-

stricht timetable are likely to seize on the figures as proof that it is more important to create new jobs than stick to the treaty's terms. Supporters of the Euro say France's high unemployment is caused by structural problems in the economy and has little to do with the constraints imposed by Maastricht.

Responding to concern over the implications of monetary union for jobs, the European Commission President, Jacques Santer, appealed yesterday to governments, businessmen and

trade unions to join a "pact of confidence" to promote jobs and competitiveness. He suggested pumping 1bn ecu (£820m) into trans-European highway and rail projects, and 700m ecu into job-creating research ventures.

Rejecting proposals to delay the Maastricht deadline or relax the requirement for low budget deficits, he said: "We have to stay the course. The single currency is the end of an irreversible process. These policies are not against employment."

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international

Parents fight to keep all-white school

ROBERT BLOCK
Pretoria

The authorities in South Africa's Northern Province have given a primary school in the rural town of Potgietersrus until tomorrow to open its doors to three six-year-old black children who have been barred from attending for more than a week.

Last Wednesday the pupils found their way blocked by 200 white parents screaming threats in Afrikaans. They have maintained a vigil at the gates of the Potgietersrus Primary School ever since. They deny racist motives, and insist they are trying to protect the school's cultural and religious standards from non-Afrikaans-speaking children who might flood in and lower the quality of education.

The provincial government is not buying it. "Those three children were enrolled by the school's principal himself," said a spokesman, Jack Mokobi. "In the past, the school has accepted white, English-speaking students without so much as a peep. The excuse now of protecting culture and language is nothing more than a smoke-screen for racism."

If the school does not admit all colours, the Northern Province will get a court order to force it to do so. An earlier deadline yesterday was appar-

ently extended at the request of the school board of governors, to help cool tempers.

Some people fear confrontation in Potgietersrus may end in bloodshed and harden attitudes between black South Africans and Afrikaners. "So far we have worked very hard and succeeded in keeping this a peaceful struggle," said Daan van der Merwe, a spokesman for the parents. "The parents do not want violence. But there can be, as you know, in any Afrikaner community, extremists. There is no guarantee if the government forces the school to take children against its will that these people might not react."

Mr van der Merwe said the school had not refused entry to children because they were black, but because it was full. "We have turned down applications from white and black students. But we are suspected because we turned away blacks," he said. The school would admit black children but only in numbers the school could accommodate, and parents wanted guarantees they would respect the school's "Afrikaner, Christian character".

Non-racial education was introduced after all-race elections in April 1994 but some schools, known as "Model C", are still under white control because parents in effect own the schools.

The row over the school, about 120 miles north of Pretoria, is the latest test of wills between the government of President Nelson Mandela and right-wing Afrikaners over the pace and form of change. The government is committed to integrating once-exclusive white institutions, while Afrikaners resent their loss of privilege.

Mr Mandela yesterday reassured representatives of 13 Afrikaans women's groups in Pretoria that Afrikaners had no reason to worry. Their rights were protected under the constitution, and there was no plan to eradicate their language. Schools in Afrikaans areas could continue instruction in Afrikaans but had to provide classes in other languages where it was necessary.

He said Afrikaners had to be careful not to let efforts to protect their language and culture be seen as an attempt to drag the country back into the era of white domination.

Johannesburg — Louis Farrahkhan, leader of the militant US black Muslim group, Nation of Islam, met Winnie Mandela yesterday and praised her contribution to the anti-apartheid movement, AP reports. "As you well know, she is well liked both in this country and in America," Mr Farrahkhan said of Mrs Mandela, who is estranged from her husband.



Integrated: South African schoolchildren. Some schools remain under white control

Photograph: Gideon Mendel

IN BRIEF

Judge reluctant to move bomb trial

Oklahoma City — The judge in the Oklahoma City bombing case cast doubt on the wisdom of moving the trial to Lawton, about 90 miles away, saying there were "obvious deficiencies" in the courthouse there.

US District Judge Richard Matsch directed the defence and prosecution to prepare lists of changes that would have to be made at the courthouse before it could hold the trial. Attorneys for Timothy McVeigh and Terry Nichols, accused in the bombing of a federal building last April, in which 169 people died, want the trial moved out of Oklahoma City in the interest of fairness.

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Milan — Magistrates called for Silvio Berlusconi to be sent for trial on charges of illegally channelling bribes from his companies to Bettino Craxi, the disgraced former prime minister. The request is a further blow to Mr Berlusconi's hopes of returning to high office. He spent a turbulent seven months as prime minister in 1994.

Bosnia accord

Sarajevo — Marking another step in the implementation of the peace agreement, a special assembly elected Croat and Muslim ministers to run the federation that will share Bosnia with the Serbs. They will be in charge of the economy, trade, culture and education within the federation of Muslims and Croats that will control 51 per cent of Bosnia.

Referendum pledge

Melbourne — Well ahead of opinion surveys less than five weeks before a 2 March general election, the opposition Liberal-National coalition promised to hold a referendum on whether Australia should become a republic.

Arms and a man

Berlin — A court convicted Alexander Schalck-Golodkowski, whose shady hard currency deals kept Communists East Germany afloat, for Cold War arms smuggling offences. He was given a one-year suspended sentence for arranging the import of guns and night-vision equipment from West to East Germany.

Black breakthrough

Jerusalem — Three days after riots by thousands of Ethiopians, one of the black Jewish immigrants became the first from his community to stand for the Israeli parliament. Addisu Mesaleh announced his candidacy after a meeting in which President Ezer Weizman and immigrant leaders discussed the controversy over the national blood bank routinely discarding Ethiopian blood donations for fear of AIDS.

Captives freed

Managua — Police fired tear gas and rescued 81 hostages who had been held by protesting university students in the Nicaraguan foreign ministry building. The National Police Chief, Fernando Caldera, said 107 students, "a good part of the hostage-takers," were arrested.

'Superhero' dies

New York — Jerry Siegel, who as a teenager in the Depression co-created Superman with Joseph Shuster, starting the craze for superheroes, has died aged 81.

Ton-up squid

Wellington — Scientists have caught a rare giant squid, 26ft long and weighing nearly a ton, in 1,400ft-deep waters east of New Zealand. Steve O'Shea of the National Institute of Water and Atmospheric Research, said the female squid, caught near the Chatham Islands on 31 December, is one of only 20 of its size known to have been caught anywhere in the world in the past decade.

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For a cricket lover:

The Village Cricket Tour will give hours of pleasure. A novel which describes the adventures and mishaps of a team of amateur cricketers who spend two weeks of their summer holidays on a cricket tour of the West Country and which has been compared to Jerome K Jerome's classic *Three Men in a Boat*. "I enjoyed it immensely" wrote Peter Tinswood in *Punch*. "He has succeeded in writing a book that will entertain, a book that will amuse and warm the cockles of tired hearts." "Coleman is a very funny writer," said *This England*. "It would be a pity if cricketers were the only people to read this book." "Seminal reading includes de Selincourt and Blunden and should now embrace Vernon Coleman's latest offering, a whimsical piece about the peregrinations of a village cricket team on its summer tour," said *The Cricketer* magazine. "All the characters are here, woven together by a raft of anecdotes and reminiscences and a travelogue of some of the most picturesque spots in the south west." A marvellous present for all cricket lovers.

For a golf lover:

Anyone who likes golf will love *The Man Who Inherited a Golf Course*. This superb novel tells the story of Trevor Dukinfield who wakes up one morning to find that he is the owner of his very own golf club - fairways, bunkers, clubhouse and all. There's one snag: to keep the club he must win a golf match. And he's never played a round of golf in his life. The scenario is tailor made for Vernon Coleman's light and amusing anecdotes about country life and pursuits" said the *Sunday Independent*. "Very readable!" said *Golf World*. "Hugely enjoyable in the best tradition of British comic writing" said the *Evening Chronicle*. "The mix of anecdotes and moments of sheer farce make for an absorbing read" said the *Evening Telegraph*. A terrific present for anyone who enjoys golf. Far more fun than another pair of socks or a bottle of aftershave.

For a cat lover:

Feline fans will love *Alice's Diary* which tells of a year in the life of a mixed tabby cat. Alice shows us, with great humour and insight, what it is really like to be a cat. Our files are bursting with letters from readers who love this book. "What a wonderful book, so beautifully written, it was a great pleasure to read" wrote Mrs Y of Essex. "Please send copies of *Alice's Diary* to the eleven friends on the accompanying list. It is a wonderful book which will give them all great pleasure," wrote Mr R of Lancashire. *Alice's Diary* is delightfully illustrated throughout. But we warn you: when you see it you may not want to give it away! An absolute must for all cat and animal lovers. Guaranteed to give more joy and laughter than almost any other present you can choose.

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Oregon by-election win heartens Clinton camp

RUPERT CORNWELL
Washington

President Bill Clinton and his party received an early election-year fillip yesterday as the Democrats won a vacant Senate seat in Oregon, breaking a three-decade Republican monopoly in the state and rekindling hopes of recapturing at least partial control of Congress in November.

The narrow victory by Ron Wyden, a liberal congressman, came in the first US election conducted entirely by post. It was held to find a successor to Bob Packwood, who resigned in disgrace from the Senate last summer on charges of sexual harassment. Mr Wyden defeated his Republican opponent, the conservative businessman Gordon Smith, by a margin of 17,000 votes, or 1 per cent of the total ballot.

Despite the closeness of the outcome, the White House and Democratic strategists were exultant yesterday, hailing it as further proof of the unpopularity of the Republican-controlled Congress, and another sign that President Clinton will win a

PRESIDENTIAL

second term. The result clips the Republican majority in the Senate to 53-47.

More heartening still for Democrats, Mr Wyden pitched his campaign on the very issues Mr Clinton will highlight this autumn - the protection of education, the environment and free medical services for the poor and elderly, and a "safe, legal and rare" approach to abortion.

Oregon, moreover, continues the trend visible at the off-year elections of November 1995, when the heavily favoured Republicans failed to seize control of state legislatures in Virginia and Maine and the governorship of Kentucky.

The Wyden win is another pointer that the American public feels that the congressional conservatives led by Newt Gingrich, the House Speaker, have gone too far, especially in their intransigence in the budget dis-

pute, which caused two government shutdowns.

The Oregon poll also seems to vindicate postal voting, permitted in the three-week period before election day. Those who preferred to wait until Tuesday itself could leave their ballots in 160 "drop-boxes" across the state which were sealed at the 8pm deadline.

Despite predictions that public interest would plummet, turnout topped 60 per cent, compared with 41 per cent in the 1994 congressional elections, and exceptionally high for a by-election. Oregon saved \$1m (£660,000) on the exercise.

The ranks of congressmen not seeking re-election swelled further yesterday, as Charlie Rose, the influential North Carolina Democrat and a champion of the beleaguered tobacco industry, announced his retirement after 24 years. Life in the minority was "not as much fun", he said. He is the 38th House member and 25th Democrat to step down. A record 13 Senators have announced they will not seek re-election, eight of them Democrats and five Republicans.

'Clean hands' candidate looks likely to be Poland's next PM

ADRIAN BRIDGE
Central Europe Correspondent

The ruling coalition partners in Poland yesterday put forward a former Communist, Włodzimierz Cimoszewicz, for the post of prime minister following the resignation of Józef Oleksy over allegations that he had spied for the KGB.

The nomination of Mr Cimoszewicz, which was almost certain to be accepted by President Aleksander Kwasniewski, marked the end of a week of hard bargaining between leaders of the former Communist Social Democratic Alliance (SLD) and its junior coalition partner, the Polish Peasants' Party (PSL). It appeared to guarantee that Poland will continue moving in the direction of economic reform, and pre-

paring itself for membership of the European Union and Nato.

Mr Cimoszewicz, a 45-year-old lawyer and former justice minister, was one of several candidates for the premiership following Mr Oleksy's dramatic resignation last week amidst protests of innocence. Although he is part of the SLD's parliamentary caucus, he is not a member of its core party, and is seen as something of an independent spirit. As justice minister he became famous for his "clean hands" campaign aimed at ensuring that government officials were not using their positions to reap illicit financial gains - a policy which antagonised large sections of the SLD itself.

Mr Cimoszewicz also made his mark on the national level when he ran unsuccessfully

against Lech Walesa in the 1990 presidential election.

The PSL originally proposed their own candidate for prime minister, but finally agreed to the candidacy of Mr Cimoszewicz yesterday while making it clear that they expected to be given more ministries in the new government.

Although Poland's constitution allows 14 days for the appointment of a new prime minister following a resignation, many of the country's senior leaders - including Mr Kwasniewski - had pressed for earlier agreement on a replacement. Mr Kwasniewski, who today flies to Switzerland to participate in a meeting of the World Economic Forum, feared wrangling over Mr Oleksy's successor could have created an impression of instability.

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IN BRIEF

Judge reluctant to move bomb trial

Oklahoma City — The judge in the Oklahoma City bombing case cast doubt on the wisdom of moving the trial to Lawton about 40 miles away, saying there were "obvious deficiencies" in the courthouse there.

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'Try Berlusconi'

Milan — Magistrates called for Silvio Berlusconi to be sent for trial on charges of illegally channeling profits from his companies to Bettino Craxi, the disgraced former prime minister. The request is a further blow to Mr Berlusconi's hopes of returning to high office. He spent a turbulent seven months as prime minister in 1994.

Bosnia accord

Sarajevo — Marking another step in the implementation of the peace agreement, a special assembly of the Bosnian and Herzegovinian parliament has agreed to the reduction of the number of troops in the city. The move will be in charge of the city's security, but not for Bosnians who fled to the island they had left their lives to flee and in the war by President Bill Clinton that they would never be allowed into the US. Last May Mr Clinton changed his policy and announced that all Cubans at Guantanamo would eventually be admitted.

Referendum pledge

Melbourne — An Australian referendum on whether to change the name of the country from Australia to Eureka was rejected by voters in a referendum.

Arms and a man

Washington — A man who was accused of selling arms to the Taliban in Afghanistan was sentenced to 10 years in prison.

Captives freed

Moscow — Russian soldiers freed 12 captives from Chechen rebels in a battle in the north of the country.

'Superhero' dies

New York — A man who played the role of a superhero in a play died of a heart attack.

Ton-up squid

London — A squid was found in a ton of fish in a market.

Last exit to Florida for boat people from Cuba

PROVISON

They left their native Cuba on makeshift rafts, planks and inner tubes, facing several days of storms, shark-infested waters to reach the Land of Free. Yesterday, 17 miles later, they finally stood on American soil.

There were 124 of them, some beaming, some weary in American flags, carrying their belongings in blue rubbish bags as they stood from a charter plane at Hialeah air force base near Miami. They were the last of 30,000 Cuban refugees fled from the US military base Guantanamo Bay, on the eastern tip of their own island where they had been held in August 1994 by US Coast Guard vessels, some after drifting at sea for more than a week.

It was the ultimate irony: related to the island they had left their lives to flee and in the war by President Bill Clinton that they would never be allowed into the US. Last May Mr Clinton changed his policy and announced that all Cubans at Guantanamo would eventually be admitted.

It was good news for them, but not for Cubans who set out on rafts after that date. Under his new policy, Mr Clinton said all new "rafters" who fled US shores were subject to deportation, and any picked up at sea would be returned to Cuba. The Coast Guard has since returned 133 to Havana, 24 those in January, showing that Cubans are still trying to flee the country, though not in the numbers of August 1994, when Fidel Castro ordered his security forces to turn a blind eye to the exodus.

With the departure of the last Guantanamo refugees, the US closed the sprawling camps of olive-green tents and plywood that had once been home to more than 30,000 Cubans and 20,000 Haitian boat people. Some of the Haitians were returned to their own country, while others were allowed into the US. The last group left the camps in November.

While Cubans were traditionally granted political asylum under US post-Castro policy because they were fleeing Communism, the Haitian boat people, though fleeing a brutal military regime in 1994, were officially considered "economic refugees" and not therefore eligible for asylum.

At their peak, the sun-scorched camps at Guantanamo — nicknamed Gitmo by US soldiers assigned there — were like a small town as refugees created their own makeshift schools, churches and baseball and basketball grounds. At one point, there were more than 8,000 US military personnel assigned to supervise them.

Before Mr Clinton's May 1995 announcement that all would be allowed into the US, frustration led to at least 60 suicide attempts — although only one man is known to have died — and several riots. Several hundred opted to return to Cuba under official handover agreements.



Flag day: The last refugees to leave the camp at Guantanamo Bay celebrating yesterday

Photograph: AP

US spy agency 'mislays' \$2bn

DAVID USBORNE
New York

The super-clandestine National Reconnaissance Office (NRO), which operates America's spy satellites, has been accused of mislaying as much as \$2bn (£1.3bn) — more than an entire year's budget for the State Department.

The allegation, which is certain to bring new pressure on the US intelligence community to open itself up to more public scrutiny, was made by two senators who head the Senate Intelligence Committee, Arlen Specter of Pennsylvania and Bob Kerrey of Nebraska.

According to the senators, managers at the NRO "had no idea" what had happened to the money, which apparently had been allowed to accumulate in secret caches for use, allegedly, in the case of unexpected hitch-ups or accidents in its satellite programme.

The NRO, the very existence of which was denied by the US government until only a few years ago, first ran into trouble with Congress in 1994 when it spent \$300m building itself a new headquarters in a Washington suburb without informing anyone on Capitol Hill.

The errant \$2bn apparently got lost principally because of the hall of mirrors that exists within the NRO itself, designed to prevent even its own subdivisions from discovering what the others are doing. About \$1bn has now been tracked down and taken back from the NRO to pay for other military programmes.

Created in 1960, the NRO is responsible for deploying high-powered satellites to eavesdrop on other governments' military movements and activities. It supplies the information from the satellites directly to the CIA and the armed forces.

Funding for the NRO is provided from the so-called "black budget" of \$28bn a year that is approved by Congress annually but the exact purpose of which is never revealed. Most members of Congress themselves have little idea where the money goes.

The disappearance of the funds was initially uncovered by auditors sent to the NRO by John Deutch, the director of the CIA. While he had nominal control of the NRO's expenditure, until recently even he had little clue to its actual spending habits. That lapse is not likely to be repeated, however.

ALT LAKE DAYS

Drinks all round in the not-so-dry Mormon state

Sunday Super Bowl night and the watering holes all across America, the Thirsty Squid was jammed with boisterous drinkers cheering their team, penetrating the scrum to reach bar was hard enough, but there I was faced with another obstacle. "Are you a Mormon?" the bartender politely inquired.

Threw me for a second until I saw in the melleé whom I had seen before shouted that would "sponsor" me for the night. I thanked him and, sto, my beer was duly served was reminded that I was Utah.

Said by the Mormon pioneer Brigham Young in 1847, Utah largely belongs to the secret and deeply conservative Mormon church. Seventy per cent of the population are Mormons, and so are nine out of 10 of the members of the state legislature.

It is in 1833 that the founder of the Mormon church, Joseph Smith, surprised his followers — and doubtless dismayed many — by declaring that he had received a message from God bidding the consumption of such polluting substances as tobacco, alcohol and drugs. The doctrine was detailed in Smith's *Book of Wisdom*, and the faithful obey it today. Even that most American of drinks, Coca-Cola, is anathema to strict Mormon.

Not surprisingly, Utah has long had a reputation for enforced clean living. Though the state may not be a theocracy exactly, the Mormon church — formally the Church of Jesus Christ of Latter-Day Saints — looms over all state business: vetoes public policy, and moral issues coincide, it is the driving force. The only time its legislature overrode church clings was when it supported the repealing of Prohibition 63 years ago.

The church's influence has, the sure, helped shape a state that is among America's safest and most pleasant. Salt Lake City where most of the population is concentrated, is a tidy, pleasant place, dramatised by the spectacular backdrop of the Wasatch range to the east. This is one of the fastest-growing states in America, with low house prices and a burgeoning hi-tech industry — not to men-

tion the skiing — attracting a steady flow of newcomers.

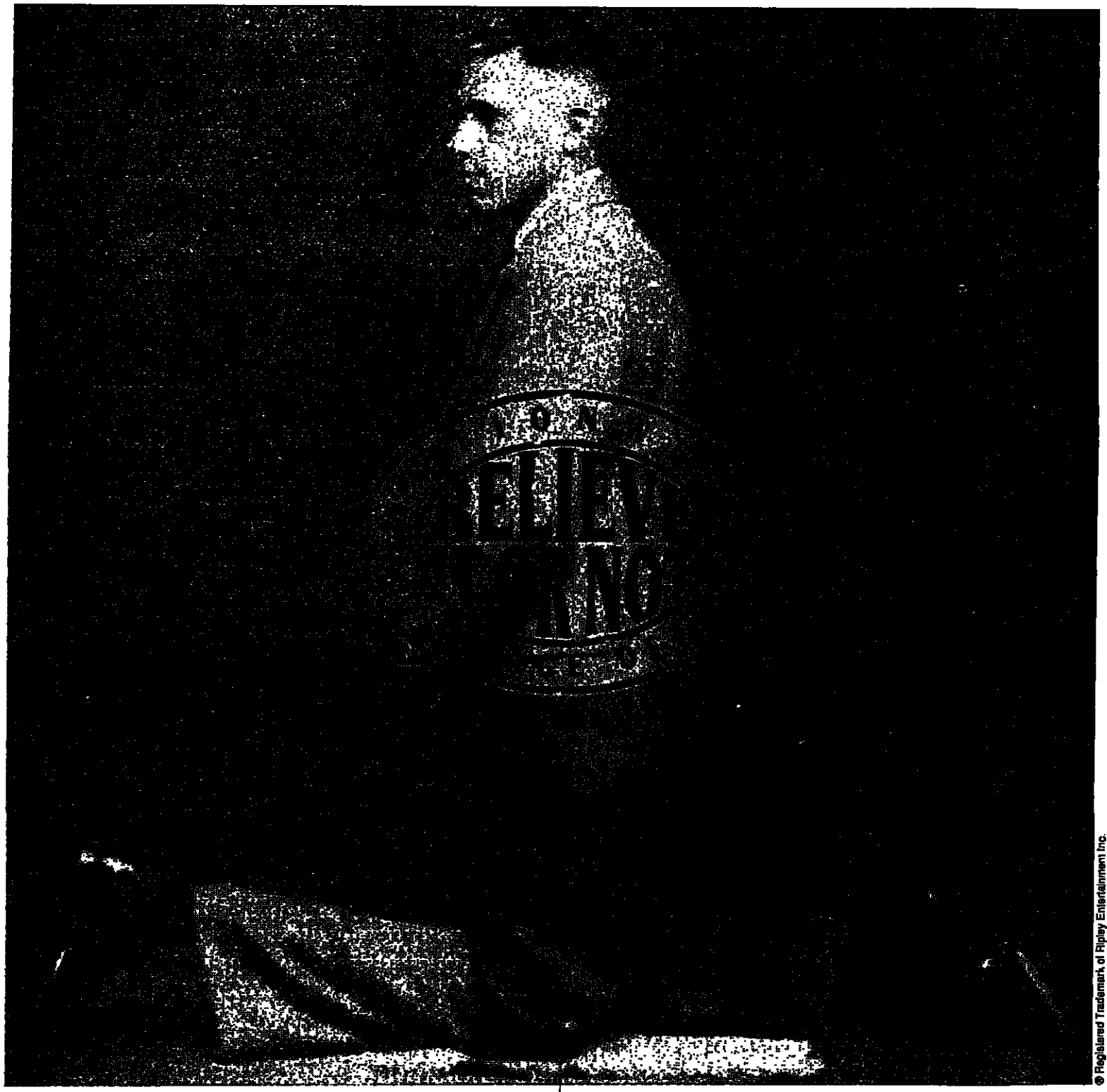
Utah has for the last few years been struggling to shed its puritanical image, aware that it is a damper on its tourist and convention business. Most striking was Salt Lake City's campaign — which finally brought victory last June — to be host to the 2002 Winter Olympics. The toughest challenge was convincing the selection committee that Utah was not nearly as strait-laced as the world supposed and that one myth in particular could be disposed of: that it is dry. As the Olympic bid chairman, Frank Joklik, pronounced shortly before final selection: "If you can't get a drink in Salt Lake City, you can't be very thirsty."

It is true that finding a tipple in Salt Lake today is barely more difficult than anywhere else in America. Various laws have recently been amended or repealed so as to make it still easier. Restaurants, for example, are no longer forbidden, as they were until 1991, to serve wine by the glass, or to mix drinks for their customers.

The grip of the state — and thus the church — on alcohol consumption, nonetheless, remains total. All liquor stores are state-owned, and giant liquor taxes make private drinking expensive. A six-pack of beer in central Salt Lake will cost you \$13 (£8.50), compared with about \$6 back East. Restaurants can serve alcohol, but food must account for more than 70 per cent of the customer's bill. Technically, bars do not exist. Instead, drinking establishments like the Thirsty Squid have to masquerade as private clubs. The membership fee is usually about \$5 — which goes to the state.

Few among the minority non-Mormon population, at least, take much of this very seriously. On returning to our Salt Lake hotel, we inquired where we might go for a final round in the area. "Hang on," the receptionist replied, "I'll get you one." She ruffles through some unused membership cards for all the "clubs" in the neighbourhood before finding one for the "Port O' Call", a couple of blocks away. "Here. You can get five people in on that".

David Usborne



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THE BUILDING SOCIETY.

obituaries / gazette

Jerry Siegel

In January 1933 two Cleveland college boys produced the third issue of their magazine on the school mimeograph. It was called with all the pride and pomposity of youth *Science Fiction*, the *Advance Guard of Future Civilization*. The lead story, written by one Herbert S. Fine — Jerome Siegel's latest pen name — and illustrated by his best friend, Joseph Shuster, was entitled "The Reign of the Superman".

Prophetic, yes, but the hero was a villain looking not unlike the later bald baddie Lex Luthor, the bane of the long life of a Superman soon to be born — "the world's greatest adventure-strip character" in the words of his publisher. This phrase, super-promotional for 1941, illustrated the confidence in the character that had changed the company's logo to "Superman DC". The DC stood for *Detective Comics*, the new comic book that had been launched with Siegel and Shuster's first successful comic-strip hero, *Slam Bradley*. "Ace Freeland Sleuth, Fighter and Adventurer", a super-hero in every way save superiority of strength — that would come in June 1938 with no 1 of *Action Comics*.

Jerome — forever afterwards Jerry — Siegel was born in Cleveland, Ohio, in 1914, three months after Joe Shuster, who would become his lifelong partner, was born in Canada. In 1931 both teenagers were attending Glenview High School and met through the school newspaper, the *Torch*. Jerry was writing as a would-be journalist, Joe was drawing as a would-be cartoonist, and both were fans of the latest literary craze, science-fiction, which was burgeoning in a series of cheap pulp magazines (named after their low-quality paper) under the eccentric genius of Hugo Gernsback.

Shuster showed Siegel his concept of tomorrow, a sketch of a city skyline filled with rocket ships and entitled "World of Future — 1980". Impressed, Siegel proposed that they put together their own magazine, and they launched their first issue on 6 October 1932. This idea was something Siegel had already tried out in 1929 with an amateur production, *Cosmic Stories*, but it was Shuster's pictures that made all the difference.

They decided to combine their talents by creating comic strips for newspapers. Their early attempts were solidly linked to their hobby of sci-fi, and ranged through titles like *The Inter-Planetary Policy* and *Steve Walsh, Scientific Adventurer Extraordinary*. They failed to

impress the syndicates. A breakthrough came in the early Thirties when a new field for funnies, as strips were frequently called, opened up. A minor company reprinted some British science-fiction *Wonder* and *Comic Cuts*. A New York publisher launched the first comic book, *Famous Funnies*, the Humor Company issued an original comic in cardboard covers, *Detective Dan*.

Siegel and Shuster tried them all, and even produced a complete 16-page comic for a local paper, *Cleveland Shopping News*. This would prove their biggest disappointment to date: the publisher reneged and the book did not see publication until 30 years later when a fan publisher issued it in 1984.

Superman was born in similar circumstances: an enthusiastic creation that was immediately rejected. They wrote and drew a complete 32-page comic starring a strong man, bullets bouncing off his chest, with the stirring caption: "A Genius in Intellect! A Hercules in Strength! A Nemesis to Wrongdoers! The Superman!"

The Humor Company thought it laughable and sent it back. Shuster promptly tore it up. With the arrival of a series of new comic books, the pair found more luck. They became regular contributors to *New Fun* (1935), and other titles launched by Major Malcolm Wheeler-Nicholson, pioneer of the original comic rather than the usual reprint comics of the period. Their first series was *Henri Duval, Famed Soldier of Fortune*, soon followed by their first fantasy, *Doctor Occult*, the *Ghost Detective*, and finally *Federal Men*, which they turned into their first published sci-fi super-strip, *Federal Men of Tomorrow*.

Hearing that a new strip was required for the first issue of *Action Comics*, they dusted off their Superman concept yet again. Every syndicate in the book had rejected it. The comic publisher did not care for it either, but his young editor Sheldon Mayer thought it great. Although history recorded that Mayer himself cut and pasted their daily strips into a 13-page feature, a story innocently repeated in my *International Book of Comics* (1985), Jerry Siegel wrote to tell me this was not so. "Joe and I cut and pasted the strips, and Joe's brother Frank assisted too. This was done at Cleveland at Joe's residence. I planned out the 13 pages and wrote any script changes I deemed necessary, while Joe created several new drawings, the brand new cover, and



Superman drawn by Joe Shuster in 1941. Siegel and Shuster created their comic-strip hero in 1933

created the Superman logo." This logo has remained virtually unchanged since that first appearance. I corrected the legend in my second edition.

The history of the American comic book was changed for all time by the debut of Superman. Within months similar super-heroes sprang into life in dozens of new titles by as many new publishers. Siegel's newspaper strip was taken up by the McClure Syndicate, a radio series was launched, Max Fleischer began perhaps the finest animated cartoon series ever, Columbia Pictures produced two film serials, there was a hard-boiled novel, and many more comic books. In time, Superman would enter television, both live action and animated, and the higher echelons of cinema with four of the world's top money-making films.

None of this did Siegel and Shuster much good. They had sold their first 13-page strip for \$10 a page, a fee which included all rights. They also won a 10-year contract guaranteeing them \$500 for each 13-page strip they produced, together with a tiny percentage of the early merchandising, but the last straw was *Superboy*, based on the life of Superman as a teenager. This spin-off was not credited to them. They sued their publisher in 1947 and were eventually awarded \$100,000 compensation. In addition their publisher gave them the sack.

Siegel came back in 1948 with *Funnyman*, a humorous version of Superman, but it was no great shakes despite a supportive newspaper strip. In 1963 Siegel and Shuster tried to regain their rights in Superman,

but after 12 years in the courts their claim was dismissed.

When the first Superman super-movie went into production in 1976, they tried once more, making their copyright claims public together with their monetary distress. This time they were lucky: the owners settled out of court giving them \$20,000 a year for life, plus restoring their creators' credits to the strips. Shuster, virtually blind, died in 1992. Victims of wicked publishing practices, Siegel and Shuster will always be remembered, particularly by comic fans, as ever-growing sectors of the world's population.

Denis Gifford

Jerome Siegel, cartoon writer: born Cleveland, Ohio 17 October 1914; married (one son, one daughter); died Los Angeles 30 January 1996.



Duva: a pragmatist

Duva was acknowledged as one of the major boxing promoters of his time.

Bob Mee

Dan Duva, boxing promoter: born 1951; married (one son, two daughters); died New York 30 January 1996.

Dan Duva

Dan Duva was the driving force behind his family's boxing promotional and management company, Main Events Inc.

He was an uncontroversial figure who ran what was, by boxing's standards, an uncomplicated business. He could be cold, remote and undramatic, especially in comparison to two great American rivals Bob Arum and Don King, but he was an organised, competent man whose fighters stayed with him. And that, in boxing, is rare.

Evander Holyfield, the former undisputed world heavyweight champion, promoted by Main Events throughout his 11-year career, described Dan Duva as "a great friend".

He could be aggressive and forthright, but he was also a

pragmatist. In 1986 he launched a verbal assault on Don King in the *New York Daily News*, calling him a "sleazebag" and a "strong-arm man". But that didn't stop him working with King when he felt it advantageous to do so, as in the celebrated fight between the Main Events star Pernell Whitaker and Julio Cesar Chavez, who is promoted by King, in 1993. It drew almost 60,000 people to the San Antonio Alamodome and made a fortune for both fighters and promoters.

He cut a contrasting figure to his father Lou, a gregarious, larger-than-life character who enjoys being compared to cartoon figure Barney Rubble and has been involved in boxing most of his life. Dan Duva

came into it via the Seton Hall School of Law and a law practice which he operated from 1976 to 1980. Whereas he would work hard to negotiate business advantages for his company and its fighters, Lou Duva often took a more direct approach. Once, when he spotted Holyfield's forthcoming opponent Buster Douglas, a known luncheon freak, sitting eating a pizza in a sauna, Lou secretly sent him an extra one. Douglas went into the fight spectacularly unfit and was knocked out quickly. Together, Dan and Lou Duva were a brilliant team.

Main Events débuted in boxing in the late 1970s, promoting shows at Totowa, New Jersey, and earning television

backing for a series called *Tomorrow's Champions*. However, it was in 1981 that they developed from minor success to major player when they promoted the superfight between Sugar Ray Leonard and Thomas Hearns in Las Vegas and launched pay-per-view TV.

In 1984 they signed almost all of the US Olympic boxing team, most importantly Holyfield. Whitaker, Meldrick Taylor and Mark Breland. All four became world professional champions. Holyfield went on to gross more than \$100m.

Altogether Dan Duva and his organisation promoted or co-promoted more than 100 world title fights, and in the 1990s were instrumental in the rise of Lennox Lewis. More than that,

Terence Reese

Terence Reese was the most famous name in British bridge. He was the author or co-author of some 90 books on the game, the bridge correspondent of the *London Evening Standard* from 1961 and of the *Observer* from 1960. Perhaps his most acclaimed book was *Reese on Play* (1948), a classic which made his reputation as a writer.

In the course of his tournament career he was in the winning British teams in four European championships (1948, 1949, 1954 and 1963) and the Bermuda Bowl World Championships in 1965, as well as representing Britain on many other occasions. Domestically, he was in the winning Gold Cup team (the premier British team event) no fewer than eight times — a record only surpassed by his partner Boris Schapiro.

Reese was brought up with cards. His parents first met at a whist drive and at the age of three, before he could read, he became addicted to beggar-neighbour. When he was seven he was introduced to Auction Bridge (Contract Bridge — now the only bridge game universally played, and simply referred to as Bridge — did not appear for another five years) but, he said, at that age 13 cards were difficult to handle and he had to retire behind a cushion to sort his hand.

He was educated at Bradfield College, where he gained his colours in cricket and football and — an all-rounder — won the top classical scholarship to New College, Oxford. By now, with Contract Bridge having overtaken the old Auction game, he first came to the public eye in 1935 when he captained the winning Oxford team in the inaugural Varsity match, defeating a Cambridge side led by Iain Macleod, the future politician, by a comfortable margin.

On coming down from Oxford he took up a traineeship at Harrods but this did not last long. In 1936 he left to become a professional bridge player and writer.

The war years saw him serving in Air Raid Precautions and bridge was restricted to the occasional rubber. Once, while playing at Crookfords, the club, there was a loud explosion nearby. A member rushed in with the news, "My God! They

have got the War Office!" Playing another card from dummy, Reese observed laconically, "Not intentionally, surely."

After the war Reese founded the Tournament Bridge Association, a commercial enterprise but one which had the effect of giving the tournament game a sound footing before control was passed over to the present organising bodies, the English Bridge Union and the British Bridge League.

The year 1965 saw the biggest scandal that the bridge world has known. After winning the European Championships in Baden-Baden the previous year by a record margin, the British team (including Reese and Schapiro) qualified for the Bermuda Bowl World Championships in Buenos Aires. In the course of the event the British pair were accused of cheating by illicit signalling of the number of hearts that their hand contained. With their accusers including the British non-playing captain, the remaining matches were conceded and the Executive Committee of the World Bridge Federation judged the pair to be guilty. They passed the matter over to the British Bridge League to decide on an appropriate punishment. But the BBL decided to conduct their own independent investigation.

A full tribunal, headed by Sir John Foster and General Lord Bourne, was set up with both sides represented by solicitors and leading barristers. The affair dragged on for some 19 months spread over about 60 sessions. As neither Foster nor Bourne had any pretensions to being expert players, each side chose an "independent" assessor to weigh up the technical evidence. What can I say, as the assessor chosen by Terence and Boris? The visual evidence of finger signalling was seemingly convincing but in no way did the fully documented records of the bidding and play confirm the allegations. They were consistent with the performance of a top-class pair playing distinctly out of form. The verdict of the tribunal was "Not Guilty".

The World Bridge Federation was not happy with this decision and when, much later, Reese was suggested as the non-playing captain of a British

team in the European championships, the Credit Committee decided that "was unacceptable. One thing grounds was that 'his things had been contrary to spirit of the game'. They may have been referring to a mild pornography and suggestion of drug-taking in *Thick* (1980), but as this was novel (co-authored by Terence) and set far in the future, connection seemed tenuous. After an interval, both Reese and Schapiro resumed their tournament careers but never played in partnership again."

When interviewed in 1988 Reese was asked whether he had his life again, he replied: "I followed the same path, there are some interesting questions," he replied. "Fog-



Reese: bridge scandal

ple, I possess the mental capacity to have done well in law. On the other hand, I am physically indolent and I say I would have done the same thing again." One wonders what he might have achieved if he had been a hard worker.

Terence Reese made his public appearance at the Macallan International in London last week, he commented upon the misadventure of the younger generation of bridge players, he attended the formal closing dinner, a festive affair — wearing a checkered and a sports jacket. Noddy minded, or was surprised? After returning home to Epsom, he died the following night.

Alan Jones

John Terence Reese, writer and bridge player: born 28 August 1913; married 1970 Alison Sharkey; died Epsom 27 January 1996.

Tracey Chadwell

The soprano Tracey Chadwell was one of the best artists of her generation, yet was robbed of the chance of international recognition her gifts deserved.

I first met her at an English Song concert. I was giving at Snape in Suffolk when she was an outstanding student, having recently graduated from the Guildhall School of Music in 1981, with flying colours. Her strikingly beautiful, agile voice, effortless musicianship and gift for communication augured well for a bright future.

She won several important competitions, including the 1986 GKN English Song Award and the Soprano Prize of the Great Grimsey International Singing Competition, and was successful in being chosen for schemes for young artists, such as the Park Lane Group's series.

For a few years, from 1982 to 1985, the BBC Singers gave her a stable base on which to build her solo career. Regular oratorio and broadcast engagements followed, including work with the Bach Choir, the BBC Welsh Symphony Orchestra, the English Chamber Orchestra and appearances with the BBC

Symphony Orchestra which included singing at the Proms concerts. Amongst her recorded work was Rawsthorne's *Second Symphony* with the London Philharmonic Orchestra, *Songs for Voice and Harp* by Edmund Rubbra, and *Songs* by Thomas Pfitzner.

Always interested in new music, she developed relationships with composers such as the late Elizabeth Maconchy, Nicola Lefanu, David Lumsdaine and Gillian Whitehead, and promoted their work with energy and enthusiasm. In 1993 she toured New Zealand and gave the first performance of Gillian Whitehead's *Awa Hono*. She made fruitful contacts in New Zealand, and a third antipodean tour was being planned.

Her career was, inevitably, badly affected by her battle against leukaemia, diagnosed in 1990, at a time when her career was crucially poised between the stages of "young" and "established" performer. However it was impossible to think of her as a "victim" — her complete absence of self-pity and sentimentality dispelled any such

thoughts. Through the long months of treatment and periods of hospitalisation, a full-filled many engagements as she was able. After a bone marrow transplant is, appeared to have made miraculous recovery, and resumed her career with undiminished zest. She made a first comeback appearance at a recital at Wigmore Hall in London in January 1994, with her long-term accompanist Pamela Linn, and then in April of the following year — at the Royal Festival Hall singing Britten's *The Minstrel Boy* with the master String Orchestra.

To mourn your colleague cut off in mid-career is particularly poignant. Tracey Chadwell was not just a fine singer, and devoted friend. Her qualities, put to a harsh test, were of heroic proportions, and provided an inspiring example of true professionalism and generosity of spirit.

Jane Manning

Tracey Chadwell, soprano: born 9 March 1959; died 1 January 1996.

Births, Marriages & Deaths

BIRTHS

Downs: To Carol (née Fox) and Nick, a son, Jack, on 31 January.

DEATHS

HART: Janet (Jan) née Fyvie, of Caroline Terrace, London SW1. After a long illness, died peacefully on 29 January 1996. Funeral service on Tuesday 6 February at Putney Vale Crematorium at 11am. Floral tributes, please, to Ernest Lambert & Son, Funeral Directors, 246 Upper Richmond Road, Putney, by 12 noon.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3DL, or faxed to 0171-293 2011, or e-mailed to 0171-293 2016, and are charged at £6.50 a line (VAT extra).

ROYAL ENGAGEMENTS

The Princess of Wales, Her Royal Highness Diana, will attend a Gala Performance of *La Bohème* at the Royal Albert Hall, London SW7, The Duke of Kent, President, attends the Engineering Council of Civil Engineers, London SW1.

Changing of the Guard

The Household Cavalry Mounted Regiment will be changed on the 10th of January 1996 at 11.30am. The Queen's Guard will be changed at 11.30am. The ceremony will be broadcast on Channel 4.

CORRECTION

The picture which accompanied the obituary of the cricketer Tummy Mitchell (30 January) was not of him but of his son, Tom, who also played for Derbyshire.

Forthcoming marriages

Dr N. M. Beauchamp and Dr C. E. Malone. The engagement is announced between Mark, son of the Rev E.J. and Mrs Beauchamp, of Epsom, Surrey, and Catherine, daughter of Mr G.E. Malone and Mrs O. Malone.

Birthdays

Lord Abernethy, a Senator of the College of Justice in Scotland, 88; Dr Christopher Barnett, Headmaster, Whitgift School, Croydon, 43; Sir Kenneth Bond, former vice-chairman, GEC, 76; Sir Peter Crill, judge, Court of Appeal of Jersey and Guernsey, 71; Mrs Joceline Dimbleby, cookery writer, 53; Professor Sir Sam Edwards, physicist, 68; The Very Rev Eric Evans, Dean of St Paul's, 68; Mr Don Ewer, rock singer, 59; Sir Douglas Hall St, former overseas governor, 87; Hildegarde (Miss Hildegarde Sell), singer and actress, 90; Sir Gordon Hobday, former Chancellor, Nottingham University, 80; Mr Adam Ingram MP, 49; Professor Douglas Johnson, writer and historian of France, 71; Sir Maurice Loring, life president, John Loring plc, 78; Mrs Virginia Lenz, three-day-equestrian, 41; Mr John Donald McCull, former chairman, Consolidated Gold Fields, 65; Sir Stanley Matthews, footballer, 81; Sir John Nott, former chairman and chief executive of Lazard, 64; Professor Sir Mark Richmond, head of research, Glaxo Holdings, 65; Mr Peter Salis, actor, 75; Mr Andrew Smith MP, 45; Dame Muriel Spark, writer, 78; Sir Peter Tappin MP, 66; Miss Renata Telski, operatic soprano, 74; Mr Boris Yeltsin, President of the Russian Federation, 65.

Anniversaries

Births: Sir Edward Coke, Lord Chief Justice and author, 1552; John Philip Kemble, actor, 1757; Dame Clara Elder, actress, 1874; Mary Wollstonecraft Shelley (Godwin), author of *Frankenstein*, 1815; Piet Mondrian, abstract painter, 1944; Buster (Joseph Francis) Keaton, comedian, 1906. On this day the first meeting of the US Supreme Court took place, 1790; Mount Etna, Sicily, began violent eruptions, 1863; the first volume of the *Oxford English Dictionary* was published, 1884; the first British labour exchanges opened, 1910; clothes rationing ended in Britain, 1949; in Sao Paulo, Brazil, 220 people died in a fire which raged in an office block, 1974. Today is the Feast Day of St Bride or Bridget of Kildare, St Henry More, St John of the Cross, St Francis, St Seirion and St Sigbert III of Austrasia.

Lectures

National Gallery: Kathleen Adler, "Picasso (I): Picasso and the National Gallery", 1pm. Victoria and Albert Museum: Amanda Fielding, "20th-century Furniture (I)", 2.30pm. Tate Gallery: Michael Grossbard, "Ideas as Objects: a legacy of Duchamp", 1pm. British Museum: Nicola Douek, "Victory and Toys", 1.15pm. National Portrait Gallery: Francis Borzello, "Powder and Paint: women artists in the 18th century", 1.10pm. Gresham College, (held in the Old Hall, Lincoln's Inn, London WC2):

Professor Simon Lee, "Sir Thomas More: the 500th anniversary of his admission to Lincoln's Inn", 6pm. London School of Economics, London WC2: Professor Denis Kessler, "The Economics of International Transfers", 5.30pm. Oxford Amnesty Lecture: Sheldonian Theatre, Oxford: Shere Hilt, "Women's Voices, Women's Rights", 6pm.

Luncheons

HM Government. Mr Ian Lang MP, President of the Board of Trade, was the host at a luncheon held yesterday at Lancaster House, London SW1, in honour of Mr Aleksei Bobakov, Deputy Prime Minister of the Russian Federation.

Dinners

Ministry of Defence. Mr Michael Portillo MP, Secretary of State for Defence, was the host at a dinner held yesterday evening at the Royal Hospital Chelsea, London SW3, to mark the retirement of Field Marshal Sir Richard Vincent as Chairman of the NATO Military Committee.

Schools

Francis Holland School (Graham Terrace). The Biennial Old Girls' Party for the School Birthday of Francis Holland School will be held on Thursday 29 February from 6pm, at the school. Any Old Girl who has not received an invitation is asked to get in touch with the school to make sure the register is accurate. Please reply to: Francis Holland School, 39 Graham Terrace, London SW1W 8TF, telephone 0171-730 3971.

Claim after 18 years was unreasonable

LAW REPORT

1 February 1996

Biggs v Somerset County Council: Court of Appeal (Lord Justice Neill, Lord Justice Auld and Sir Iain Gidwell); 26 January 1996

It was not reasonable for a part-time teacher to bring a claim for unfair dismissal 18 years after she was sacked, even though at the time such a claim was barred under the UK law then in force, and that UK law had only recently been amended to bring it in line with European anti-discrimination law. Had she known, the applicant could have relied on the European law at the time.

The Court of Appeal dismissed an appeal by Mary Biggs and affirmed the decision of the Employment Appeal Tribunal ([1995] ICR 811) upholding the ruling of an industrial tribunal that her unfair dismissal claim against Somerset County Council had been brought out of time.

James Goulie QC (*Bridman & Pies*) for Mrs Biggs; David Patrick QC and Paul Golding (*Andrew North, Taunton*) for Somerset.

Lord Justice Neill said that in *R v Secretary of State for Employment, ex p Equal Opportunities Commission* [1995] 1 AC 1 at 31, (the EOC case) the House of Lords made two declarations of great significance

in employment law: the provisions of the Employment Protection (Consolidation) Act 1978, whereby employees working fewer than 16 hours per week were subject to different conditions in respect of 1) qualification for redundancy pay, and 2) the right to compensation for unfair dismissal, from those applying to employees working 16 hours or more per week, were incompatible with article 119 of the EEC Treaty and Council Directives 75/117/EEC and 76/207/EEC.

Mrs Biggs was employed by Somerset in 1975 as a part-time science teacher, working 14 hours per week. On 31 August 1976 she was dismissed. At that time, the right not to be unfairly dismissed, under para 4 of Schedule 1 to the Trade Union and Labour Relations Act 1974, did not apply to contract of employment for less than 21 hours weekly: see Schedule 1, para 9(1)(f). The comparable provisions of the 1974 Act were now in Schedule 13 of the 1978 Act.

The House of Lords announced its decision in the EOC case on 3 March 1994, conditions in UK domestic law that time were ineffective to her claim by reason of incompatibility with art 119.

His Lordship agreed that time was not a bar to her claim. The decision in the EOC case was declaratory of what the law had been since the establishment by section 2 of the European Communities Act 1972.

Accordingly, since 1 January 1973, and certainly since the decision of the European Court in *Defrenne v Sabena*, there had been no legal impediment preventing someone claiming to have been unfairly dismissed from arguing that the restriction on claims by part-time workers was indirectly discriminatory.

The fact that it was not until 3 March 1994 that the House of Lords declared the threshold provisions in the 1978 Act to be discriminatory could not be used to argue that it was not "reasonably practicable" to present a claim within the time limit.

For these and other reasons the appeal should be dismissed. Lord Justice Auld and Sir Iain Gidwell concurred.

Paul Magrath, Barrister

Funerals don't have to be gloomy and costly. Steve Boggan looks at moves to modernise a stagnant ritual

The business of dying

When he dies, Mike Hoyland will be placed in a coffin painted in the colours of Liverpool Football Club. He will be carried along in a horse-drawn carriage to Liverpool's Catholic Cathedral, where he hopes a Requiem Mass will be celebrated by a priest wearing a red and white scarf around his neck.

As he is carried out of the church by his friends - he is realistic enough to accept that Liverpool's back four will probably not be available - the tune to *Match of the Day* will be playing.

Friends in football kit will attend a wake at a local pub, at which several hundred pounds will have been placed behind the bar. The instructions for the funeral, which have been given to his solicitor, include the codicil that anyone caught crying must buy a round of drinks.

Mr Hoyland is one of the many people who don't want their funeral to be a miserable affair, but he is one of the few who have actually planned it. The others - the vast majority of us - will have the arrangements made by funeral directors who mean well but know nothing about our personalities or life-long wishes.

Responsibility for our last journey will probably be given over at the last minute by grieving relatives, whose suffering will be made worse by the subsequent impersonal ceremony at a dull church or office-like crematorium, by the lack of warmth, by the absence of any form of celebration for the life that went before the death.

"That's not for me," says Mr Hoyland, 34, a businessman from Leicester. "I want my friends to remember the good things and the fact that I enjoy life. Everyone says that, but how many do anything about it?"

Well, until this week, almost nobody. But then the publication of the morbidly named *Dead Citizen's Charter*, by a think-tank called the National Funerals College, was followed by the opening of the country's first funeralary supermarket - based loosely on the French *supermarché du mort* - at which cut-price caskets in chipboard and cardboard rub shoulders with coffins that double up as bookcases and wine racks. Suddenly, funerals, DIY funerals and cheap funerals are on our doorstep.

Lord Young of Dartington, the founder of the National Funerals College, explains: "People are entitled to the funeral they have chosen and to one that helps their loved ones to deal with their loss."

Lord Young has come up with a 24-point plan to guarantee the rights of all those involved - even, or perhaps especially, the dead.

The right to information is perhaps the most important of their demands. Given that a Consumers' Association survey recently found that one-third of funeral directors failed to provide estimates before hitting bereaved people with bills averaging £1,015 for a burial and £888 for cremation.

But funeral directors may not be the villains of the peace. The college and the National Association of Funeral Directors (NAFD) are more concerned about the way that local authorities, the owners of cemeteries and crematoria, treat bereaved families. Charges for burials are spiralling and cremation services in some areas are being limited to 20 minutes.

A survey by the NAFD, published here for the first time, shows enormous regional variations in the cost of being buried (see table). Graves in some parts of Wales cost as little as £90, whereas in London, the same size plot can set you back £1,800. Cremation, which 70 per cent of us now prefer, varies in cost from £80 to £250, depending on the region.

"I know funeral directors are often portrayed in a bad light, but our survey shows that local authorities' charges are increasing at an exorbitant rate," says Mary Stuart, the NAFD's spokeswoman.

"Since 1992, our members' rates have increased at about 8 per cent

per year on average, while increases for the local authorities' side of the fees - crematoria, gravediggers, plots - range from 12.5 per cent in Yorkshire to almost 95 per cent in the north of England."

There is a capacity crisis in most graveyards, which means that councils are exploring radical options to meet demand, such as reusing old graves. The National Funerals College believes that councils are under pressure from the Government to become self-financing. If crematoria are privatised, charges could increase further.

All of which may bring a smile to the face of Sam Weller, who today opens the country's first funeralary supermarket, Regale, in a former Co-op store in east London. He believes that he can cut about £200 from the cost of the average funeral.

Customers, who are greeted by cheery lights and staff under orders not to wear black, can shop for coffins, flowers, grave-stones, even tools to tidy the grave, before handing over the arrangements to Mr Weller or an undertaker of their choice. "They can put a coffin in the back of their car and drive off if they want," he says.

His prices - coffins from £134 to the bookshelf-cum-casket at £1,304 - are invariably cheaper than their counterparts ordered unseen from undertakers.

Mr Weller explains what led him into the business: "I was astonished at the lack of choice or consideration for the consumer. This was an industry stuck in Victorian times. We're trying to bring it up to date in a way that isn't tasteless."

Mr Weller's interest is commercial. Lord Young's is loftier, almost political. But both lead in the same direction: more consumer choice over how we deal with death. Yet even that is unlikely to cure the discomfiting aspect of many funerals: the gaps they expose in the fabric of the modern family.

Mary Stuart, of the Association of Funeral Directors, says: "Very few people recognise the religious side of funerals these days. That, coupled with the fact that more people move away from their original roots, means that very few funerals are attended by more than just the immediate relatives and a few friends."

You can have your jazz band, and your coffin can be pulled by a team of huskies, but even that is unlikely to make sure the church is full.

THE BRITISH WAY OF DEATH

RIP

Funerals: the international league

	Britain	Belgium	Germany	Italy	Spain	USA
Population (m)	55	10	81	58	40	280
Funerals per year	625,000	100,000	800,000	530,000	350,000	2,286,000
Cremation rate	70%	26%	East 70% West 30%	1.5-2%	3%	20%
Funeral cost (avg)	£750	£997	£1,329	£1,329	£798	£3,057
Funeral companies	3,500	1,500	3,400-4,000	3,000	3,000	24,000
Ownership of cemeteries	All municipal	60% private 40% municipal	All municipal	All municipal	Most municipal	Most privately owned

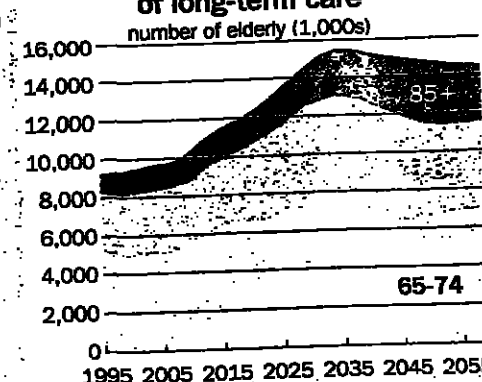
A century of deaths in England and Wales

	Total deaths	Over 75yrs	% of total deaths
1900	483,247	69,697	14
1910	587,830	69,201	12
1920	466,130	70,081	17
1930	455,427	111,900	25
1940	581,537	151,920	26
1950	510,301	193,283	38
1960	526,268	226,104	43
1970	575,194	253,682	44
1980	581,385	288,614	50
1990	564,846	325,542	58
1994	551,455	326,270	59

Cost per region by burial and cremation

Area	funeral directors' costs	burial	cremation	% cremated/buried
London	£660	£580	£295	75/25
Western counties	£620	£450	£360	72/28
Eastern counties	£610	£450	£475	72/28
Scotland	£610	£375	£425	57/43
Midlands	£610	£550	£315	80/20
S&SW Wales	£550	£380	£325	63/37
Yorkshire	£540	£440	£365	80/20
Cheshire/N Wales	£510	£320	£300	80/20
Cornwall/Devon	£490	£450	£400	70/30

Estimating the future cost of long-term care number of elderly (1,000s)



Church fights price war

The Church of England may be losing its grip on the deaths of the nation. The Church Commissioners set a fee of £57 for funeral services. The priest gets £31. The rest goes to the parochial church council.

These fees have risen by more than 90 per cent in the past three years as part of the Church Commissioners' drive to recover from losses on property speculation in the Eighties. Now, unscrupulous undertakers are accused of using retired clergy to conduct cheaper services. The Rev Tom Ambrose, of the diocese of Ely, says that "a stiff letter" was sent to retired clergy in the diocese recently. Some crematoria were paying retired clergy as much as £200 a day, according to Mr Ambrose.

Clinton snubs lilac fairy

The fascinating BBC fly-on-the-wall series on the Royal Opera House missed a little nugget this week when it showed the Royal Ballet company meeting President Clinton in Washington. Unrecorded by the cameras was the encounter between Mr C and the delightful ballerina Fiona Chadwick.

Having read up on the political and sexual scandals besetting Clinton at the time, Miss Chadwick told a bemused president in front of his even more bemused First Lady that he needed a lilac fairy, the dispenser of good fortune in *Sleeping Beauty*. Clinton looked none the wiser. Sadly, any lilac fairies hovering over the conversation picked the wrong target. Clinton remains in office. Miss Chadwick's contract was unexpectedly terminated at the end of the season.

Observer man ups stakes

The editor of the *Observer* has a problem. His staff. They exasperate him; and what is a poor boy to do? Andrew Jaspas, current holder of the top job at the troubled newspaper has reacted in unusual fashion. He has decided to moan about his bolshie journalists, not to their faces nor to his board, but to

the readers of another newspaper 400 miles from the *Observer's* base, but well within the sights of the eye of the eagle.

Interviewed in Scotland on Sunday, which he used to edit in happier times, an emotional Jaspas gives the following cry for help.

"But what do I do?" asks Jaspas with exasperation. "I can't just go out into the newsroom and say, right, from tomorrow there will be no more factoids. Over a period of time I have to demonstrate to people that there are other ways to work, that they have to play as a team."

The article paints a byzantine picture of "three separate and mutually suspicious camps vying for editorial influence and control," and quotes Jaspas bemoaning the fact that "seemingly it's the game in town among journalists to bitch about their papers and their editors."

Shocking. But at least the bitching by staff about their papers and editors is done in town, unlike the bitching by editors about their staffs, which doesn't even take place in the same country.

Snoozy

An unfortunate misprint, I assume, in the *Tablet*, the international Catholic weekly. Reviewing Mervyn Blatch's book, *A Guide To London Churches*, Felix Barker

wanted, I suspect, to say that he "slumped back" in his chair "happy to be conducted through 150 churches", and not that he "slumbered back" in his chair, as printed. Of course, I could be wrong.

Potty Neil

After Paul McCartney telling the would-be rock stars at Liv-



Diamond: spelling it like it is

erpool's fame school to lay off drugs this week, I see that the American crooner Neil Diamond is telling *Q* magazine how he founded the pressure group Performers Against Drugs. In fact, he originally called the outfit Musicians Against Drugs, until a friend pointed out that the acronym did him no favours.

Eagle Eye



Plane strain? Go by train...

Now, everyone agrees our MPs are vastly underpaid and deserve far more for their arduous workload. And here's a good example of just the sort of work that we pay them for.

The MP for Workington, Dale Campbell-Savours, has



Dale: underground rumble

garnered the support of 11 colleagues, including the former transport minister Peter Bottomley, for an Early Day Motion castigating London Underground over its ticket-selling arrangements at Heathrow and the bad impression these necessarily make on

visitors to the United Kingdom.

But is it really visitors to the UK that Mr Campbell-Savours is concerned about; or is it Mr Campbell-Savours? Forget all the guff at the end of this very long motion about the "appalling service... providing the first experience of the United Kingdom" for foreign visitors. The sunnier climax the MP for Workington is really referring to are clearly those of Workington.

He states: "This House notes the extraordinary arrangements for the sale of underground tickets at London Heathrow; notes travellers from Manchester to London, including the honourable member for Workington, frequently spend more time waiting in a long, winding queue to buy an underground ticket than they do on the aircraft flying..."

To which one replies, (a) come off it, (b) we all have to queue from time to time without provoking a parliamentary debate and (c), how very interesting to learn that our elected representatives find it necessary to fly from Manchester at great expense when there is an InterCity train service that would get them to Westminster in pretty much the same time.

Now there's a good subject for debate.

Generation Why

by Tony Reeve and Steve Way



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THE INDEPENDENT

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Before a pay rise, a few questions...

The charge of the gallant 200 MPs, signing up for a doubling of their wages, has been as brave as it has been doomed. If they press their attack, only the lattered remnants will make it back to friendly lines. For the country does not want to hear their arguments, or to consider their case. John Major knows this, and will probably deny their request that the Nolan committee's remit should be widened to take in MPs' pay.

Pensioners will say they could live handsomely on an MP's expenses. The upstanding will argue that public service is its own reward. The self-righteous will allege that MPs are simply feathering their nests and should not be paid more because they already earn so much in consultancy fees and other nefarious sources of income.

All of that misses the point, which is: what rate of pay will ensure that those who the country might wish to put themselves forward for election are not deterred from doing so by financial considerations?

Yet before we can consider that question, we must decide our answers to others: what sort of job is it that we are paying for? How well do MPs do it? How many of them do we need?

The three tasks of members of the Commons are usually defined as sustaining a government (providing ministers, passing legislation, etc); scrutinising legislation and the actions of the executive; and staffing a forum that is meant to be the focus for democratic debate.

They only do the first part of their job moderately well. The House sustains the Government: the whipping and patronage systems make sure of that. But the Government has far too many ministers, especially in an era when the scope of the state is meant to be shrinking.

As a scrutinising chamber, the House performs badly. Select committees only look at past actions of the Government

or make general recommendations about policy. They do not prevent bad ideas becoming law.

As to national debate, the twice weekly juvenile point-scoring of Prime Minister's Question Time, the generally low level of attendance and the standard of speaking when important issues are debated all bear testimony to poor service rendered by the House in leading discussion. There is better discussion on many radio phone-in shows or on television. Only a handful of MPs (and practically none on the back benches) are so wise that one would cross the road to hear them speak.

In their candid moments, MPs agree with this. The condition of their work, the powerlessness of the backbencher, the futility of attending the House and its archaic rules, and the odd hours all act as disincentives to those who might otherwise wish to serve, especially able women.

So before any committee looks again at MPs' pay, there should be a more sweeping review of what sort of job we want these people to do. No sensible company would restructure the pay of its entire workforce without calling in a team of management consultants to examine productivity, quality and customer service. Such a review could consider the case for sharply reducing the number of MPs (we have the largest chamber in the world: the Japanese, Indians and Americans have much larger populations and many fewer MPs); empowering select committees to scrutinise legislation; instigating a root-and-branch reform of parliamentary procedures; and reconsidering the amount that MPs can earn from outside sources.

We know that to get a better quality of MP we should pay a rate comparable to that in the private-sector professions. Yet to raise MPs' pay, without being much clearer about what we want from them and how we should measure their performance, would be stupid.

Opera should play to the gallery

It is lucky that the opera house that went up in flames this week is in Venice rather than London. La Fenice - translated literally as the Phoenix - is almost certain to rise from the ashes, given the extent of Italian public support.

But imagine for a moment that the much maligned Royal Opera House in Covent Garden had been razed to the ground. After the furore provoked by the massive National Lottery grant to the Opera House, which already receives a £20m Arts Council subsidy, public support for rebuilding might not be overwhelming. There can be few other institutions with national pretensions that command so little public support.

The debate over opera has become hopelessly polarised. Those infuriated by opera's elitist trappings point to the extortionate cost of tickets - £140 for a good seat at Covent Garden. The argument that the taxpayer should not subsidise the recreational pursuits of a rich, self-regarding elite is rather persuasive. Yet opera lovers argue that it is an exquisite art form that needs to be publicly supported. They are right that it would be tragic if something so beautiful were allowed to die.

But both sides have their arguments on the same two premises: first, that opera is a minority enthusiasm, and second, that it is inevitably extremely expensive. Events of the past few weeks

have cast doubt on both those premises.

Opera has a huge potential audience. This weekend, Raymond Gubbay's new production of *La Bohème* at the Royal Albert Hall will open to a packed audience, many of whom have never darkened the doors of Covent Garden. Plenty of people are prepared to pay to listen to opera - even if they will not tolerate the soaring prices, social grandeur or long hours at the more establishment institution.

Mr Gubbay's presentation demonstrates something even more important: opera does not have to cost a fortune if it can reach a wide enough audience. Tickets cost no more than £37, and with no Arts Council subsidy to help him, Gubbay still hopes to make a profit.

Meanwhile, five minutes spent watching the BBC's fly-on-the-wall documentary *The House* is enough to persuade the most ardent opera enthusiast that much of the Royal Opera House's money is wasted on incompetent decisions, archaic traditions and restrictive practices. Covent Garden gets the best principals in the world, exhibits spectacular sets and intricate costumes and delivers continuous variety. But the Royal Opera House needs more commercial management and greater financial discipline.

It also needs to learn lessons from Mr Gubbay. Opera started as a commercial mass entertainment in the central Europe's concert halls. It needs to return to its roots.



'One just can't live on the sort of backhanders one gets nowadays'

LETTERS TO THE EDITOR

Performance-related pay in the Commons

From Dr R. I. Jones

Sir: MPs are suggesting that the Nolan committee should take on the role of a pay review body ("MPs unite to demand an increase in salaries", 31 January). Should this happen, may I suggest that the committee adhere strictly to the following points of principle, reiterated many times by the present Government.

No extra money will be forthcoming; any increase in salaries for MPs must be found from savings elsewhere in the parliamentary budget. Any pay increase must be justified by a demonstrated increase in productivity (for example, by "downsizing" the House of Commons and requiring MPs to represent larger constituencies).

Pay should be performance-related (perhaps by relating pay to time spent in the House, or to the number of complaints from

constituents successfully resolved by an MP). In relation to this last point, some system of league tables should be devised and published annually to demonstrate the relative performance of individual MPs, preferably a system that involves an inordinate amount of paperwork.

Yours faithfully,
R. I. JONES
Lancaster
31 January

From Mr Ken Lomax

Sir: In order to prevent high-quality teachers, doctors, nurses and social workers - to name just a few - from abandoning their jobs, perhaps we should double their pay?

Yours,
KEN LOMAX
St Hugh's College
Oxford
31 January

From Dr C. R. Legg

Sir: Why are Conservative MPs whining about their pay? Increasing the workload of public-sector workers while eroding their pay through inflation is one of the cornerstones of Government economic policy. They call it "making efficiency gains". Surely MPs should be proud to be contributing to the economic success of the nation.

Yours faithfully,
CHARLES LEGG
Department of Psychology
The City University
London, EC1
31 January

From Mrs Christine Smith
Sir: Perhaps MPs could ask their constituents to vote them a rise, or otherwise.
Yours faithfully,
CHRISTINE SMITH
London, E1

No specific offence of stalking

From Mr Timothy Kirkhope

Sir: Your leading article "Arming women against stalkers" (30 January), calls on the Government to strengthen the law to protect people from stalkers.

We have already taken action by bringing in a tough new law, under the Criminal Justice and Public Order Act 1994, to tackle intentional harassment. This offence, which carries a maximum penalty of six months in prison or a £5,000 fine, or both, is aimed at racial abuse but can apply to any form of harassment, such as stalking.

A specific offence of stalking would be difficult to prove and unlikely to result in convictions. Stalking can range from ostensibly harmless activities, such as sitting outside someone's house, to more serious actions, such as threats and abusive telephone calls, which are already criminal offences.

There are real difficulties in extending the law without criminalising routine and essentially harmless behaviour, but we are not complacent. We want to offer as much protection as possible to the victims of this abhorrent behaviour.

That is why we are also examining the anti-stalking laws that exist in the US, Canada and Australia. We are looking carefully to see if there are any lessons to be learnt from the experiences of these countries to build on the powers our police already have.

We will continue to work with the police and other groups who have experience of dealing with cases of stalking in considering whether there might be any scope to improve the ability of the criminal law to deal with stalkers. Yours faithfully,
TIMOTHY KIRKHOPE
Parliamentary Under-Secretary of State
Home Office
London, SW1
31 January

From Dr D. Zuck

Sir: The Cambridgeshire police, like so many others nowadays, confuse ends with means. Their end was not to make themselves comfortable, but to prevent rape. In that they have failed. What would it take to make them uncomfortable?
Yours faithfully,
DAVID ZUCK
London, N12

Children's views

From Professor Philip Graham

Sir: Bryan Appleyard's discussion of the child's right to privacy ("Glares that mark for life", 29 January) is welcome. It is, indeed, an important principle that the interests of children involved in public controversy should be protected.

But there is another principle he raises only to discount, namely that children's own views in these matters should be taken into account. Bryan Appleyard suggests that children, if asked about such publicity, might be "dazzled by the idea of fame", and that many of them want to "drink, smoke, gamble, or have sex".

But there is plenty of evidence that most children and young people, at any rate from the time they enter secondary school, are quite capable of providing a coherent and valuable view on a whole range of subjects. Their autonomy should be encouraged, not trivialised.

Yours sincerely,
PHILIP GRAHAM
Chair
National Children's Bureau
London, EC1

Not all bad news

From Mr Neil Roberts

Sir: As a senior examiner and recently retired deputy head, I have read the recent educational articles and leaders in your newspaper with increasing exasperation. From them, who would have thought that the past decade has seen substantial increases in pass rates at both GCSE and A-level, similar startling advances in the staying-on rate post-16, and a much greater number of young people gaining university places?

All this, it would seem, is dismissed as a mere "trend" because we have not caught up with Germany, France and Japan (after having, in England, at least, until very recently thought that only the top 20 per

cent of the school population were really worth educating, a belief that appears to die hard in the continuing nostalgia for grammar schools).

It is small wonder that many teachers in state schools look upon politicians and journalists, particularly those who are London-based, with cynicism. A debate about perceptions of the London educational scene - and no doubt of pressing concern for those politicians and journalists as parents - is being transposed to the country as a whole, and very real advances are being dismissed as retreats.

Yours sincerely,
NEIL ROBERTS
Leicester
30 January

Royal reparations

From Mrs M. J. Fox

Sir: Often, when I have been visiting ruined monasteries and abbeys, I have thought how interesting it would be to see at least one of these buildings restored to its original glory.

In view of Prince Charles's comments ("Prince wants lottery

cash to build mosques", 25 January), would such a restoration be a suitable project for the Millennium? After all, it was his ancestor who initiated their destruction.

Yours faithfully,
M. J. FOX
Scarborough,
North Yorkshire
26 January

Rural bliss

From Mrs Rosemary Lincoln

Sir: True country dwellers may well say good riddance to Henry and Dinah (leading article; "An everyday tale of non-country folk", 29 January), but I cannot agree that the fewer people there are in the countryside the better. Larger farms and increasingly mechanised agriculture have given us the empty countryside of today. They have also led to impoverishment of the environment and loss of wildlife.

Encouraging the development of smaller mixed farms could help to revitalise the countryside, providing much-needed employment, and ultimately making it a more attractive place for visiting town-dwellers. Yours faithfully,
ROSEMARY LINCOLN
Great Glenham, Suffolk

Venice insured

From Mr Peter Irvine

Sir: Your feature on La Fenice (31 January) is touching and no doubt many people worldwide will put money towards this apparently desperate cause.

Before doing so, however, they should ensure that the cost of complete repair and refurbishment is not already covered by an appropriate insurance policy. If the theatre management have their wits about them, it should not be necessary for Luciano and others, to dip into their millions.

Also, there will be no lack of insurance advice in Venice - half the Piazza is housed by Assicurazioni Generali. Yours faithfully,
PETER IRVINE
Irvine Insurance Brokers
Leamington Spa,
Warwickshire

Realistically speaking, I'm a pessimist

Yesterday I brought you a test which was designed to let readers find out if they were optimists, pessimists or realists. Reaction to the test was mixed, which was exactly what I had hoped - a third felt more hopeful afterwards, a third felt even gloomier and the other third felt their lives were completely unchanged. Excellent!

However, all scientific tests need verifying and repeating from time to time, so I am bringing you a new series today. All you have to do is tick the reaction you think is nearest to your own. In each case, the optimist's option is first, the pessimist's is second and the realist's is third.

1. As you pass an empty telephone box, the phone starts ringing. Your instinctive reaction is to:
a) Answer it and say helpfully, "I suppose you know you have just telephoned an empty phone box which I happened to be passing?"
b) Answer it and say, unhelpfully, "Samaritans here, could you hold on a moment, I'm talking on the other line to a man with a mobile phone who is standing on the parapet of Tower Bridge..." and put the phone down again.
c) Assume it is the Duke of Edinburgh trying to get through to someone, and decide not to get involved.



MILES KINGTON

2. On a freezing cold morning, you say:
a) "Mmm - nice and fresh today!"
b) "Oh God, oh God, oh God, oh God, oh God, it's cold."
c) Nothing at all, for fear of letting the air enter your mouth.
3. When you are served a meal on an aircraft, you hope the main dish will be:
a) That really nice chicken you had last time on a flight because, despite everything they say, aircraft food has got better over the years and sometimes it is surprisingly tasty.
b) At least hot.
c) Mercifully unidentifiable.
4. When you get to the end of a chequebook, you are not surprised to find written inside the back cover:
a) That vital telephone number you jotted down one day and which you thought you would never find again.
b) An apparently vital telephone

number which unfortunately has no name attached to it.
c) Somebody's name and telephone number, neither of which you recognise.
5. When you take your seat in an aircraft and glance at the person in the adjoining seat who will be your neighbour for the next few hours, you:
a) Know from experience that someone with so unimpressive an exterior appearance often turns out to be a fascinating, well-travelled person with a fund of interesting anecdotes.
b) Know from experience that someone so young, attractive and, let's face it, sexually appealing is usually as thick as two short planks and boring with it.
c) Feign sleep immediately.
6. When you feel a hand on your shoulder in the street, you automatically assume it is:
a) An old friend you have not seen for years.
b) An old friend you have been avoiding for years.
c) The police.
7. When you light a match to set fire to the rolled-up newspaper at the bottom of a bonfire in your garden, you know in your heart of hearts that:
a) The newspaper will burn beautifully, even if it does not actually ignite any of the rest of the bonfire.
b) The match will blow out before it even reaches the newspaper.
c) Just as the newspaper catches fire nicely, you realise it was a cutting you had carefully laid aside containing vital information for your work.
8. When someone asks for a light, you put your hand in the pocket which contains something the same shape and size as a box of matches and when you pull it out you find it is:
a) A box of matches.
b) An empty box of matches.
c) A small container of dental floss.
9. When you open a newspaper at random to find something of interest, you always find yourself reading:
a) A piece on space science which at last explains anti-matter in terms which even you can understand.
b) Another dreary pseudo-scientific piece on anti-matter.
c) An interview with Michael Portillo which lays the blame for anti-matter fairly and squarely at Labour's door.
10. When you are waiting for a bus, the first thing that comes along is:
a) A friend in a car who kindly stops to give you a lift.
b) A friend in a car who would stop to give you a lift if he noticed you standing there, but he does not.
c) A bus with a number quite like, but not exactly like, the number of the bus you need.

Branson shares the spotlight

From Ms Jackie McQuillan

Sir: In an article that appeared on 27 January, your science correspondent, Charles Arthur, said that many of the 91 sponsors of Richard Branson's project to fly a helium balloon non-stop around the world have found themselves edged out of the media spotlight, to their growing annoyance. This statement is not true.

Although Virgin Atlantic and Philaeas Fogg are the principal sponsors and Matthew Harding the patron, Richard Branson and the rest of the team have spent a considerable amount of time in working with and thanking the many smaller sponsors, without whose help this project would not have been possible. This has been fully acknowledged by them.

Yours sincerely,
JACKIE MCQUILLAN
Project Co-ordinator
Virgin Global Challenge
London, W8
29 January

Correction: A sentence in Vernon Bogdanov's letter, published yesterday, should have read "Sir Richard rather than 'The Government'" has also chosen to mount a running commentary during the inquiry.

Army helps others but not its own

From Mr David C. Allen

Sir: On 29 January you published a photograph of the England Women's Rugby Union team being trained by army instructors at Arborfield Garrison. I trust the team recognises the efforts of the Army in assisting with their training for the forthcoming England v Wales match.

What a shame that the Army, so long a bastion of the greatest

team game, no longer appears to have sufficient resources to coach a high level of rugby skills to its recruits.

This fact is especially poignant as Arborfield, home to the Royal Electrical and Mechanical Engineers' apprentice college, has an admirable history of colts rugby, and yet was used to do for others what the Army used to take justifiable pride in doing for its own.

Yours faithfully,
DAVID C. ALLEN
Newbury, Berkshire

Freshers' levy

From Professor John Griffith

Sir: For the Committee of Vice-Chancellors and Principals to impose a levy on students entering universities ("Universities threaten £300 levy on freshers", 30 January) would be a shameful abandonment of principle and an act of willful discrimination against those least able to afford it.

Yours faithfully,
JOHN GRIFFITH
Marlow, Buckinghamshire

Post letters to Letters to the Editor, and include a daytime telephone number (Fax 0171-293 2854; e-mail letters@independent.co.uk). Letters may be edited for length and clarity.

Sic transit Cassius

From Mr Stephen Jessel

Sir: No, no, no. *Cassius adum iam forte, Brutus aderat. Pompey sed givus sum, Brutus sed ubet.* Given the unappetising nature of the refreshments it is entirely possible, even likely, that those taking part were later unwell (letet, 30 January). Yours faithfully,
STEPHEN JESSEL
Paris

From Mr Terence Fahy
Sir: In my schooldays, it was *Cassius, not Brutus: Caesar adum iam forte, Cassius, 'passus sum' sed.* And no one was *sic* at all. Yours faithfully,
TERENCE FAHY
London, SE13

هكذا من الأدب

comment

The podgy maniac is the Tories' saviour

Kenneth Clarke is under attack from his own people, but his downfall would be theirs, too

In most periods of human history, aspiring Great Ones were inclined to deal with rivals by throttling, dismemberment, poison, defecation or skewering. These days, they spin a line to a cheery hack in the lobby of the House of Commons. This is called progress and it does save on the cleaning fluid. But it can also be just as effective, as Kenneth Clarke can confirm.

The boys are going for Ken. The isolation of the Chancellor of the Exchequer is now common Commons talk. "Poor Ken", we are told, disagrees with the Prime Minister on policy, on tactics, on the size of the state, on Europe. Indeed, he disagrees with everybody these days. The contrived impression is of a podgy maniac of uncertain age picking fights with people in bus queues.

We will investigate the truth of this later. First, though, it is as well to be clear about what is going on, which is that numerous Conservative MPs and some cabinet ministers are fighting the 1997 leadership campaign. They regard Clarke as a potential problem who might as well be dealt with now.

He has never, of course, been popular on the right of the party. His contempt for the anti-Maastricht Tories is barely disguised. Come to think of it, very little about the Chancellor is disguised. He, rightly, is seen as a central obstacle to the Government deciding to rule out British membership of the single currency.

Up until now, this has angered the Tory right but it has not worried them. Clarke was seen as too leftist to be a credible next leader. The party was

moving against him. This seemed obvious, though he himself always airily dismissed it, taking the view that opinion swung one way, then back again, and one could not plan picnics based on next year's weather.

The right, though, has the problem that it still lacks an agreed candidate to lead the party more vigorously against the welfare state and European entanglements. If the left of the party rallied behind Clarke, the right might yet have a fight on its hands, particularly if the economic record in 1996-97 looks good and Clarke gets the credit.

For once, though, it seems as if the right is not the prime source of the anti-Clarke mood music. It is centre-right Tories, people such as Malcolm Rifkind, Brian Mawhinney, Gillian Shephard and their supporters whom the Clarke camp are worried about. In the lobbies, the Foreign Secretary is seen by anti-Maastricht campaigners as making a blatant pitch for their support.

It is centrists and former Tory leftists making their pilgrimage to the right who would benefit most if Clarke, as one of the last outspoken One Nation, pro-European Tories at the top of the party, was discredited and divided from the Prime Minister. That would leave the field clear for an alternative "healing" candidate.

At this point logicians will ask why, if everybody is speculating about the leadership election that would follow John Major's failure and resignation, it should be thought damaging not to be Major's best friend. Even simple souls may also be wondering a little at



ANDREW MARR

Clarke embodies a still vital section of the Tory coalition

the absolute assumption underpinning this column that Major will be beat and will go.

These are good questions. Not least of the effects of the Harriet Harman affair has been its impact on the Prime Minister. His party is still in very deep trouble. It may yet start to crumble, the time of maximum danger being from May to early July, after bad local elections and before the recess, when the Commons is at its hottest and busiest. If there is no collapse, then the election is almost certain to be in spring 1997. But, either way, Major is surely now safe until polling day.

And possibly he will be safe afterwards. If he wins a workable majority he clearly stays, if only to revel in the discomfiture of his legion of critics. If he wins by a tiny margin, or is plunged into the fevered politics of a hung Parliament, he would also prob-

ably hang on. He does relish that sort of manoeuvring.

Granted, neither scenario is expected on the Tory benches. They think they will lose, though not necessarily by very much. (This near-universal view is, by the way, a little odd: if the Conservatives think they are "likely" to lose narrowly, then they must surely entertain the high possibility of winning narrowly, too. A close election is, by definition, unpredictable. But no one yet seems to think this way. It is one leap of the imagination too far.)

Even if they did lose narrowly, it is not obvious that Major would go. With a small Labour majority in the Commons and a large programme of constitutional reform to put through, there would be great opportunities for parliamentary ambushes on issues of huge importance. It would be an odd time for the Tory party to rip itself apart. One Major supporter suggests that 50 or so moderate MPs would implore him to stay as a matter of duty.

I am running too far ahead. But - and this is the point - so are those Conservative plotters. For the time being, Major is not a looming vacancy but the most important player of all. And a year is a long time in politics.

How is Clarke's relationship with him? There is no sign of trimming from the Chancellor. He has not moved an inch towards the anti-welfare zealotry of the new right. He is openly, and rightly, sceptical about the likelihood of getting the Government's share of national spending down to the 30-35 per cent so easily aired by other ministers, including the

Prime One. He refuses to go with the powerful anti-EMU tide.

On all those issues one can indeed see some ideological gap, or at least a gap in style, between Chancellor and Premier. One might guess that Clarke may, in private, be just a little contemptuous of Major's eye for political fashion - and that he feels the same about once pro-European ministers who have suddenly become convinced that the single currency is dead.

That, though, does not take us to the split being talked up in the Commons corridors. On public expenditure and interest rates, the Treasury is delivering what has been asked of it. Tension between Numbers 10 and 11 is present - as it usually is. If Major were to push a harder anti-state agenda for the manifesto, it could worsen. But tension is not warfare.

The truth is that Clarke, however lonely he feels today, embodies a still vital section of the Tory coalition, close to the central consensus on welfare and close to business on European issues. Without it the party would become a minority sect, ceding to Labour the entire centre-ground of British politics.

The party may find him infuriating, obsolete and abrasively outspoken. But even his Conservative enemies need Clarke and what he stands for. Doing him in would, in reality, do in the Tory party. That the Tories apparently fail to realise this is about the only place of good news that Labour has had for the past fortnight.

In fact, the greatest obstacle to the Conservative Party's re-election hope is now the Conservative Party itself.

It's Magic back on the court

The return of Earvin Johnson to basketball signals a change in Aids awareness, says Rupert Cornwell

A sporting injustice has been put right. Millions of people around the world, infected with the late 20th century's equivalent of leprosy, have been given new hope of leading a normal life and of being able to do what they want to do. Last but not least, one of the most hypnotically appealing athletes of recent decades is back on his rightful stage. Not bad for a single, run-of-the-mill basketball game.

Of course, what happened in south central Los Angeles on Tuesday evening was anything but an ordinary mid-season NBA fixture; rather, it was the sort of comeback story that even the dream peddlers of Tinseltown might have had qualms about putting on the silver screen. For after four years of exile, Earvin "Magic" Johnson was back on a basketball court in the yellow and blue strip of the LA Lakers making - well, magic.

Dry statistics will tell future generations that the Lakers defeated the Golden State Warriors 128-118, and that Johnson scored 19 points. But they will never convey the sheer joy that permeated the sell-out crowd at the Great Western Forum, where \$30 tickets were fetching \$1,000 around the game. Nor can they catch the man himself at the press conference afterwards - that old loping way of talking, the huge halogen smile and the sheer disbelief in his eyes: "I never thought I'd be back. You go out there and you just say, cooohhh man..."

Basketball players are not supposed to make comebacks at 36, especially not after having been forced from the sport when they were diagnosed with the Aids virus. Johnson was the first household-name athlete known to have tested HIV-positive when he first bowed out in November 1991. Only afterwards was it revealed that the late Wimbledon champion, Arthur Ashe, had contracted the disease through a contaminated blood transfusion, and double Olympic diving gold medalist Greg Louganis confessed he had known he carried the virus when he gashed his head during the finals of the 1988 games in Seoul.

America still loved Magic, the man who, almost single-handedly, in the Eighties made basketball a mega-sport. It even forgave him the countless extramarital sexual encounters, of which one had caused his predicament. Subtly, though, it turned him into a pariah. When he led the US "dream team" in the 1992 Olympics, there were

attempts to ostracise him. In perfect condition despite the infection, Johnson wanted to play the following NBA season. But his colleagues would not have him, fearful not only of catching the disease but of a guilt by association - maybe they shared the same virus. Now attitudes to Aids are changing.

Johnson, of course, should never have been kept away from the game. Apart from one claimed incident in an amateur football game in Italy about which researchers are sceptical, there is not a single case of the Aids virus being transmitted through contact in a sporting contest. The odds of an NBA player catching it after

'You get the virus from unprotected sex, not from playing basketball'

a scrape with Johnson have been put at more than 8 billion to one.

"What really got me was how, in the very first minute I was on court, the guys were coming after me," Johnson said of his instant readmission to the rough and tumble of major league professional sport. And why not? As one of his Golden State opponents noted afterwards, "The NBA players are smart enough to know you get the virus from unprotected sex, and we're not going to have unprotected sex on the basketball court."

In the population at large, too, that point has been taken and the spread of Aids in the US does seem gradually to be slowing. But Johnson's comeback provides Aids researchers with an opportunity to monitor the effects of strenuous physical activity on the progress of the disease. Johnson's health has been consistently excellent since he began treatment with the AZT drug in 1991, even though his 6ft 9in frame has gained an extra 27lb. His diet, physical fitness and sleep pattern are a doctor's dream, and most specialists believe the two or three games a week NBA schedule should not have any adverse effect. Indeed, as one said yesterday, for Magic Johnson "the real risk is a heart attack".

Meanwhile, for millions who are HIV-positive there is the simple inspiration of watching one of their number just doing his job.

Big is no longer beautiful

The break-up of the Hanson empire signals a shift in favour of the medium-sized company

Stick 'em together, rip 'em apart, for this is the age of the Velcro company. Or that might seem the appropriate response to Lord Hanson's announcement that he plans to split up into four constituent parts the company he and the late Lord White glued together over the past 40 years. So this is to be the end game, the final fate of the Anglo-American commercial giant which, as Glenda Jackson's memorable TV ads used to tell us, was born over here but also doing rather well over there.

Ms Jackson, now Labour MP for Hampstead, has moved on to higher things, but does this break-up mean that her message has moved on, too? Is Hanson no longer doing rather well?



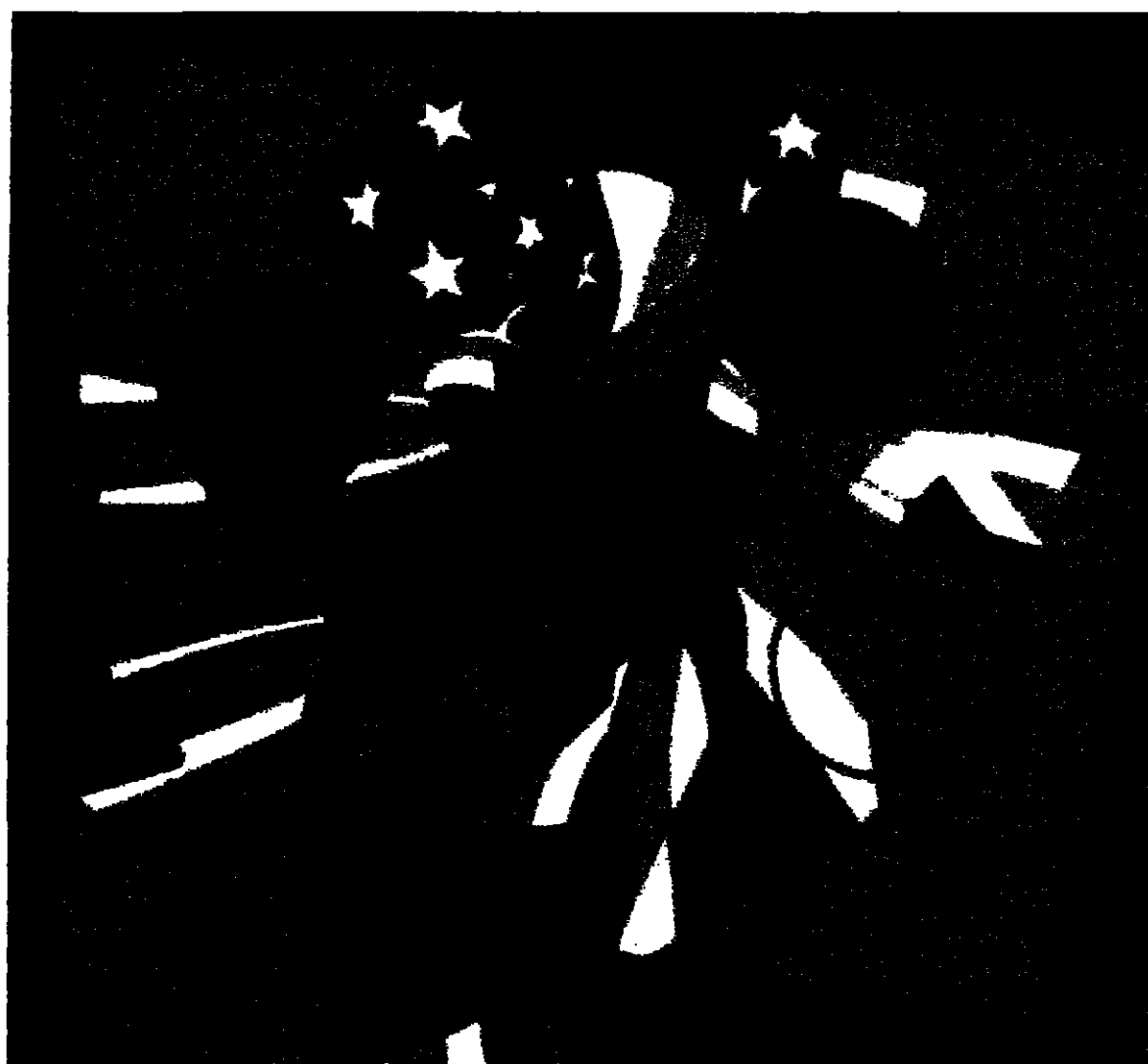
HAMISH MCRAE

It's doing all right, but not as well as it used to - which raises questions about its leadership and its structure.

Leadership: it is always worth remembering that companies which owe their creation and growth to a single strong personality rarely outlive their creator's death, or even retirement. The most spectacular recent example was the collapse of the late Robert Maxwell's empire. But in a way it was also true of the Forte group: built up by the father, lost by the son. I suspect, too, this will be true in time of Rupert Murdoch's media empire, which, far from retaining its global reach, will be split up into separate businesses. And, further into the future perhaps, so, too, will the curious, illogical but in its own way, wonderful entity being assembled by Richard Branson. Illogical? Yes, tell me the core competence that links pop music (where the fortune was made) to airlines, to financial services, to consumer products such as cola and vodka. There is none - just competent product development and a genius at self-publicity.

James Hanson is unusual among empire-builders in being wholly aware that the business could not survive him. His partner, Lord White, who was just as important a part of the duo, recently died. But even before Lord White's death, Hanson would talk openly about the future of the business after the two of them had gone.

So he is planning to create a business that is sustainable, something



that can continue, presumably under the guidance of his son, Robert. Chop off the bits that don't fit, and leave a core business that will still attract support from the fund managers.

He is doing precisely what Lord Forte failed to do before passing over managerial control of Trusthouse Forte to his son, Rocco. Rocco realised this in the desperate last few days before the takeover by Granada, but only started to cut the business into pieces (and step down from the role as chairman) when capital punishment loomed. Had Rocco acted earlier, or Lord Forte earlier still, the family would have retained control.

This leads to the second element of the explanation: the structure. What makes a company decide which businesses it should be involved in? After all, any large company can go out and buy and sell other ones. Hardly a day goes by without some news of a corporate restructuring: x company buy-

ing y division of z group. What drives this process?

It is partly fashion among the fund managers. Fifteen or 20 years ago the fashion was for conglomerates, groups of different companies locked together by a supposedly superior management. Hanson was a prime example, and so would tend to win backing for each new takeover. Now, the fashion has changed and fund managers prefer their companies in neat categories. The talk is of "core competence" or some similarly cute expression. So Hanson is being broken up into core competencies, just as Courtaulds was broken up into a textile and a chemicals business, or ICI hived off Zeneca, its pharmaceuticals arm.

But fashion is not the whole answer. Look at the way the market backed Granada against Forte. There was at least some sort of vague logic in Forte, though motorway cafes may not seem to have much to do with luxury hotels.

There is precious little in Granada, for motorway cafes have even less to do with *Coronation Street* or *World in Action*. I often think that the City's logic in supporting takeovers or encouraging demergers comes down to backing people whose judgement they trust. If a management runs a business well, it will be able to get support to run others; if it makes a hash of things, it will eventually be kicked out. In other words good leadership matters just as much as logical structure.

But seeing this Hanson break-up makes me wonder whether there isn't something else happening, a fundamental change in the optimal size of companies. The glue that holds firms together has certainly become weaker. Globalism, in general, forces companies to become bigger, but technology enables them to become smaller.

If you want to operate in many different countries, you need bases in each place. That takes people. And

there are powerful forces encouraging companies to look beyond their domestic markets and sell to the world. But the increased efficiency brought by technology is cutting the unit size of each operation.

Until quite recently, for at least 100 years, the trend in business has been for bigness. Big companies hired the best people and got bigger; banks merged because big companies demanded big banks to finance them; supermarkets and chain stores came to dominate our shopping; other commercial groups were formed because only by clustering together could the companies acquire national, or international, marketing presence.

For the past decade or so the rule of thumb has been that you have to be

The talk now is of 'core competence' or some similarly cute expression

either very big or very small, a super-market or a boutique, General Motors or TVR. The one thing you must not be is somewhere in the middle. But that trend will not go on for ever, either. Every big company is downsizing its labour force (usually while asserting that its most important asset is its people) and outsourcing all sorts of services that it previously would have done for itself. This creates opportunities for small and medium-sized companies.

These, thanks to the revolution in the information business, can acquire many of the skills and knowledge of larger ones. Indeed, because they are more nimble, they can use these more efficiently than their bigger cousins. Even giants push out more and more services to such specialists, including, when they hire management consultants, management itself.

Clearly, Lord Hanson realises that Hanson as a giant company has no future. I would like to think he's right: that we are escaping the tyranny of bigness, and moving to a world where doing something well matters more than doing more of it, where we are not forced into a homogeneous culture of identical brand names, identical high streets, identical shopping malls, identical boutiques. The Hanson break-up does not of itself, suggest that any of this is happening. But it does show that being big over there or over here is not as important as it used to be.

that everybody, especially the poor and maligned, gets a fair hearing and highlights events that many would like to cast asunder. The majority of black people are law-abiding citizens who condemn lawlessness and criminality, but we as a black newspaper cannot stand by and do nothing when heavy-handed and unjust policing becomes an issue in our community.

When Wayne Douglas died, the mainstream media completely ignored the story. An eyewitness came forward and we thought it was our duty to make public his statement. Sir Paul, however, did not like the message and so decided to shoot the messenger.

But the message is valid and we would do the same again.

The writer is editor of 'The Voice'.

Reporters don't start riots

ANOTHER VIEW

Annie Stewart

for which Sir Paul criticises our "inflammatory" reporting. We condemn violence in any shape or form and we unequivocally stated our displeasure about the disruption, which only diverted attention from the important issue of deaths in custody.

He forgets that over the past two decades there have been disturbances on Britain's streets triggered by strained relations between the police and the black community with no prompting from *The Voice*.

If Sir Paul has a complaint about any article we print, then he should go through the proper channels. He did not complain to the Press Complaints Commission, nor did he contact us for

a right of reply - which he would have been granted.

Calls have been made for his resignation, but that is too simple an answer. Sir Paul started his tenure in good stead, seeming to understand that there were problems between his officers and the black community. Internally he set out to increase the quota of black officers in the Metropolitan force, and externally he listened to what the community was

saying. But by pouring scorn on our stories, especially when they highlight the failings of his officers, he is now ignoring the voices of many ordinary, law-abiding black people who contribute to the upkeep of the force.

Each week our newswire is inundated with calls from people who claim to have experienced police harassment. We investigate every one and sometimes find that the police were only doing their jobs. But we cannot ignore that many in the community feel aggrieved by the treatment they receive from Sir Paul's officers.

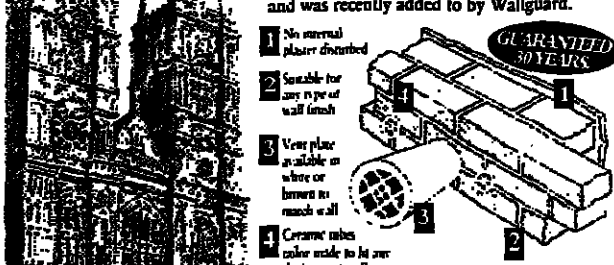
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Fed cuts US interest rates by a quarter point

The US Federal Reserve cut interest rates by a further quarter point yesterday following signs that the economy was weakening and inflation was under control. The Fed trimmed the key federal funds rate at which banks lend to one another overnight from 5.5 to 5.25 per cent.

Shares had dropped in advance of the Fed meeting due to profit-taking. After setting

records for three days running, the Dow Jones index had fallen almost 30 points before the Fed's decision. The dollar had gained nearly half a penny against the mark to DM1.4870 after the German move.

Wall Street's earlier surge this week had reflected mounting hopes of an interest rate reduction as economic activity continued to disappoint and inflationary pressures subsided.

Although some analysts were still cautious about whether the Federal Reserve would act today or wait until its next meeting in March, a slightly disappointing December figure for factory gate prices yesterday did nothing to dent the financial markets' hopes.

Prices charged by manufacturers rose 0.5 per cent last month, mainly due to a recovery in energy prices from an earlier dip. The "core" prices measure, excluding food and energy, rose only 0.1 per cent in the month and 2.5 per cent in the year to December.

Christopher Low, an analyst at HSBC Markets in New York, said: "This figure will not worry the Fed one iota about inflation."

Nor did it offset the impact on market sentiment of earlier news of a dismal Christmas for retailers and a drop in consumer

confidence to its lowest level for nearly two years.

The Bundesbank cut its main money market interest rate, the repo rate, from 3.55 to 3.4 per cent yesterday, the fourth reduction in as many weeks, and a bigger fall than expected.

The move came despite news of faster-than-expected growth in M3, the Bundesbank's monetary target, earlier in the week. Analysts said it showed the au-

thorities' concern with the economic slowdown.

Hopes of an early reduction in the discount rate, which sets the floor for other interest rates, were revived. Dietrich Beier, an economist at Bankgesellschaft Berlin, said: "It shows the Bundesbank has no reason at all to hit the brakes."

The Bundesbank reduced the discount rate by half a point to 3 per cent on 14 December.

The US Fed last cut its key Federal funds rate by a quarter point to 5.5 per cent on 19 December.

The international trend towards lower interest rates contributed to the success of a gills auction in Britain. There were total bids of £5.9bn for the £3bn worth of stock up for auction, and the "tail" between the average and highest yield was a narrow two basis points.

Clarke and George at odds over last base cut

DIANE COYLE
Economics Correspondent

Kenneth Clarke, Chancellor of the Exchequer, and Eddie George, Governor of the Bank of England, clashed over the reduction in the cost of borrowing earlier this month in their biggest disagreement about policy since last spring. City analysts concluded yesterday.

Minutes of their previous meeting revealed that the Chancellor almost certainly rejected the Governor's advice when he cut interest rates for the second time in five weeks. The Bank of England's silence about the move had already aroused suspicions of a clash.

Mr George agreed to a quarter-point interest rate reduction in December but warned against a bigger cut. "It would look as if the top priority were no longer the attainment of the inflation target," he said.

If minutes of January's meeting - due out on 21 February - confirm that Mr Clarke and Mr George were split over last

month's move, the Chancellor will be under strong pressure from the financial markets not to cut rates again unless there is new evidence of weaker growth. Mr Clarke himself has predicted that the pace of growth will pick up during the course of this year.

City economists said Mr George was very unlikely to have changed his mind in the weeks before the Chancellor announced the second quarter-point fall in base rates to 6.25 per cent. "These minutes confirm the suspicion that the January meeting did not go smoothly," said Robert Barrie, UK economist at BZW.

Marian Bell at Royal Bank of Scotland said: "This demonstrates that monetary policy is a completely political process because the Chancellor decides when to change interest rates."

In December, Mr George said cost and price pressures had eased considerably, and it was now "more likely than not" that inflation would be under the 2.5 per cent target in 1997.



Wise choice: Kenneth Clarke meets the new Treasury panel of independent forecasters. The panel, which used to be known as the 'wise men', but now includes two women, is (left to right) Patrick Minford, Bridget Rosewell, Garryn Davies, Martin Weale, Kate Barker and Tim Congdon.

A case could be made for a cut in base rates.

However, the Governor argued that it ought to be a quarter-point reduction. Rapid growth of money and credit and the fact that January is a key month for pay settlements meant he would not advise a bigger cut.

The Chancellor replied that the question in his mind was not

whether rates should fall but by how much - and he was sympathetic to the view that it should be half a point.

Mr Clarke opted to accept the Governor's advice last month. But he went on to trim another quarter point from the level of base rates on 17 January despite worse monetary figures. "The gap between the two

men will have increased in the meantime," said Don Smith, an economist at HSBC Markets.

Their disagreement in January was the third under the present monetary arrangements. The Chancellor rejected the Governor's advice against reducing base rates in February 1994 and in favour of increasing them in May last year.

David Mackie, UK economist at JP Morgan, said: "It is not surprising that they sometimes disagree. What matters is whether they quickly come back into line."

Financial markets would be alarmed if the Chancellor cut the cost of borrowing again in the face of Bank of England advice, he said.

Recent figures show that growth in the broad money measure has climbed into double figures for the first time in five years, and retail spending has picked up.

Mr Clarke and Mr George are next due to meet on 7 February, a week before the Bank of England publishes its quarterly Inflation Report.

Pearson shares climb further as bid rumours spread

MATHEW HORSMAN
Media Editor

Shares in Pearson, the potential bid candidate, continued to climb yesterday, as market attention focused on it for the second day running. Pearson has risen 16p to 666p in two days' trading, as rumours circulated that members of the Cowdry family, who control about 10 per

cent of the shares, could be willing to sell at the right price.

The speculation followed reports in the *Independent* on Tuesday that Granada, the television and leisure company that last week won a takeover battle for Forte, had considered mounting a bid for Pearson last year at up to £9 a share, or £5bn.

According to estimates prepared by Henderson Crosth-

waite, Pearson is easily worth £9 a share to a bidder looking to break up the company.

"The market has taken the view that Pearson is a major potential bid candidate," Louise Barton, analyst at Henderson Crosthwaite, said. "There is a store of hidden value, and it hasn't been aggressively managed."

Analysts predicted that Pearson itself would consider de-

merger in the course of 1996. Earlier this month, it announced a new management structure, placing the three core business lines under separate executive control.

NatWest Securities yesterday changed its recommendation on Pearson from "reduce" to "hold", and advised that the company was a "prime candidate" for demerger.

"It is important in this environment that companies stick to their knitting, doing what they know best," Andrew Walsh at NatWest said.

Pearson declined to comment on the speculation. A spokesman said: "We look at the structure all the time. We have just announced new reporting lines and you can assume those changes reflect careful thought

about the structure and how we want to develop it in the future."

The trend towards living off disparate businesses has swept the market, but has come late to the media sector, according to analysts.

Most recently, Thorn EMI has announced plans to spin off its music and entertainment arm. According to NatWest, both Pearson and M&L Lord Hollick's

media and financial services company, could maximise shareholder value by announcing demerger plans.

Informed sources say Pearson Television might be the most obvious candidate for demerger, following a spate of acquisitions in recent months. The prospect of a separate listing for Pearson TV is said to have been discussed internally.

Vauxhall's total wholesale sales of cars and light commercial vans was down by 1.5 per cent at 420,777 units in 1995. Sales of cars in the UK fell by 5.3 per cent to 294,859, while total production was down by 7.3 per cent at 242,859, partly because of the change from the Cavalier to the Vectra. But exports from the factories at Luton and Ellesmere Port plants rose by 10.3 per cent to 103,900 units.

Vauxhall said the performance occurred in a difficult car sector which has seen growth of only 1.8 per cent during 1995 and a 2.5 per cent fall in retail sales.

Conran backs Labour on industry

PETER RODGERS,
Business Editor

Sir Terence Conran - designer, restaurateur, founder of Habitat and former chairman of Habitat - attacked the Government for failing to show enthusiasm about manufacturing and said he supported Labour policy and expected the party to win the next election.

Speaking at the launch of six Labour task forces on business policy, Sir Terence endorsed comments by the party's trade and industry spokesman, Margaret Beckett, adding that "Britain has the opportunity to be the enterprise centre of Europe - all the signs, the possibilities and the talent is here. Sadly, there doesn't seem to be any government enthusiasm for manufacturing."

He believed there was "much greater understanding by Labour that the skills that design and innovation can bring to industry will have a very stimulating effect on the economy."

Sir Terence is a member of the task force on innovation, design, science and technology, whose first meeting yesterday included representatives of SmithKline Beecham, Digital Equipment and Nissan. David Allen, marketing director of Digital and a member of the task force, refused to align himself with Labour but was strongly critical of the shortage



Taking the Tories to task: Sir Terence Conran

of skills in Britain and the lack of action to create them.

Other task forces include executives from NatWest, BP Morgan, British Gas and 3i, who have been invited to join as part of a wide-ranging dialogue between Labour and business on policy for the City, the utilities, competition, innovation, small business and competitiveness.

Sir Terence's unequivocal backing for Labour could embarrass some of the other participants in the task forces, which have been set up to give practical advice from experts on how the detail of Labour's industrial policies should be formulated, on the understanding that involvement does not mean a commitment to the party.

Sir Terence said later: "This is a non-political project which we hope to support because we care about the future of Britain. I don't think any one of us wants to be seen as strong Labour or Tory supporters."

The views of the task forces will not be binding on Labour

policy-makers when they draft documents in the summer for the party conference. But they are expected to be influential.

There are already signs that policies on the utilities and competition may be watered down to meet criticisms by the task forces. Reform of regulation is expected to take account of the wider role of the utilities in the economy as well as their importance to the consumer.

In competition policy, the promise to make companies prove mergers are in the public interest may be modified, by keeping the impact on competition as the main criterion.

Mrs Beckett will need to provide workable solutions to real problems. She said Ian Lang, president of the Board of Trade, arrogantly demanded industry's support at the CBI conference while failing to win its respect. "It is Labour which is speaking with industry and commerce in a process of ongoing dialogue and consultation," she added.

Bank mounts defence of supervisory role

JOHN EISENHAMMER
Financial Editor

The Bank of England gave a vigorous defence yesterday of its role as supervisor of the banking sector, saying now is not the time to risk radical reform of regulation and supervision.

The Bank's record as a supervisor compares favourably with countries such as the US and Japan, the Bank argued in a concerted effort to rebut the wave of criticism unleashed by the Barings crisis.

The Labour Party is considering stripping the Bank of its supervisory role and creating an independent Banking Commission, while Treasury thinking also favours consolidating supervision and regulation into an integrated, central City body.

"The net benefits of leaving the supervision of banks with the Bank greatly outweigh the risks of experimenting with radical

institutional change, especially at this uncertain point in the evolution of the world's financial system," wrote Brian Quinn, the Bank's executive director in charge of supervision, in an article for *The Scottish Banker*.

He calculated the cost to the banking system of bank failures in the UK measured by payments from the Deposit Protection Fund at £144m, some of which could still be recovered. Against this, the cost of failed banks to the Federal Deposit Insurance Corporation in the US is estimated at £20bn over the past decade, Mr Quinn wrote.

In Japan the current banking crisis has in effect exhausted the Deposit Insurance Fund which stood at £5bn only two years ago. "However it is measured, the Bank's track record as a banking supervisor stands comparison with other countries," he wrote.

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1995/96 High	1995/96 Low	Yield (%)	Index	Close	Day's change
FTSE 100	3759.30	+24.00	+0.6	3759.30	2954.20	3.91	Nikkei	14000	+100
FTSE 250	4125.00	+29.30	+0.7	4125.00	3300.90	3.56			
FTSE 350	1869.00	+12.20	+0.7	1869.00	1482.40	3.76			
FT Small Cap	2018.51	+3.39	+0.2	2018.51	1678.01	3.11			
FT All Share	1841.96	+11.34	+0.6	1841.96	1489.23	3.71			
New York	5384.89	+3.62	+0.1	5381.21	3832.08	2.24			
Dax	20812.74	+90.30	+0.4	20812.74	14485.41	0.751			
Hang Seng	11359.70	+158.24	+1.4	11359.70	8967.93	3.281			
Frankfurt	2476.14	+34.35	+1.4	2476.14	1910.96	1.831			

Source: FT Information

INTEREST RATES									
Short sterling*					UK medium gilt				
Index	1 Month	1 Year	3 Month	6 Month	Index	1 Month	1 Year	3 Month	6 Month
UK	6.25	6.06	7.43	8.55	7.43	6.25	6.06	7.43	8.55
US	5.31	5.08	5.82	7.67	5.82	5.31	5.08	5.82	7.67
Japan	0.43	0.43	1.80	4.69	1.80	0.43	0.43	1.80	4.69
Germany	3.39	3.19	5.88	7.43	5.88	3.39	3.19	5.88	7.43

CURRENCIES									
£/\$					£/DM				
Index	Yesterday	Change	Year Ago	Index	Yesterday	Change	Year Ago	Index	Yesterday
\$ (London)	1.5110	+0.02c	1.5818	£ (London)	0.6818	-0.30	0.632	¥ (London)	1.5110
\$ (New York)	1.5105	+0.02c	1.5828	£ (New York)	0.6820	-0.27	0.632	¥ (New York)	1.5105
DM (London)	2.2482	+0.001	2.4882	¥ (London)	1.4479	-0.20p	1.5226		
¥ (London)	161.549	+0.213	157.301						
£ Index	93.1	-0.1	98.7						

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Clarke's luck could run out third time around

COMMENT

'Critics have accused the Bank of England of being far too cautious about interest rates - dismissing the fact that the last thing we want is an incautious central bank'

There is nothing like well publicised policy arrangements to prove that monetary policy arrangements must be working. Or so Kenneth Clarke and Eddie George would have us believe. Their only big fight is about who is hogging the ashtray. Mr Clarke insists. He is right to say that the evidence about the state of the economy is almost always mixed, and reasonable people will sometimes make different judgements about it. The clashes also suggest that the published minutes of the monetary meetings are not too heavily doctored.

However, after the previous two disagreements since the arrangements have been in place - in February 1994 and May 1995 - the economic evidence has quickly swung the Chancellor's way and changed Mr George's mind. Will Ken be lucky a third time? Recent figures suggest that he might not. Although there are clear signs that short-term inflationary pressures are fading, other figures suggest that the slowdown in the economy will be short-lived, a contradiction Mr Clarke himself contributed to with his lively Budget growth forecast.

Mr George's message was that the inflation target would probably be met, and there was room for a modest cut in base rates. But he advised Mr Clarke not to go too far too fast.

There are two reasons singled out by the Governor. One was the rising trend in pay settlements. January is one of the most important months for settlements, which

have been drifting gently upwards, and he was worried that being too lax with interest rates would send the wrong signal. The second was the rapidly accelerating pace of money and credit growth. The broad money measure, M4, burst out of the top of its target growth range in November and climbed into double figures last month.

Critics have accused the Bank of England of being far too cautious about interest rates - dismissing the fact that the last thing we want is an incautious central bank. At least Mr George has changed his advice when the evidence moves on. In the year before a general election it is probably too much to hope that Mr Clarke will change his mind if his luck runs out and the figures go against him this time. But if he did, in that case, accept that there was no room for more reductions in interest rates this year, he would definitely prove that the monetary arrangements are working.

Alliance goes for the fast track

Last in, first out - that appears to be the Alliance & Leicester's strategy. It is the final one of the batch of building societies widely tipped to abandon mutuality for bank and plc status to make the formal decision. But the lengthy preparations behind yesterday's announcement were aimed in part at speed, enabling Alliance to leapfrog Hal-

ifax and Woolwich and get its float done first in early 1997.

There is sense in this. For the sooner the float, the earlier the society benefits from the five-year shield against takeover provided by the Building Society Act. Furthermore, there is going to be a handout of shares to members worth some £15bn on today's calculations during the course of next year. This is a sizeable amount, risking a bout of indigestion in the market. Institutions, notably the tracker funds, will take some onto their portfolios, but perhaps not as much as the aspirant floaters expect.

There are plenty of uncertainties between then and now, one of which is the tense situation on the mortgage front, where fierce skirmishes threaten to escalate into a full-blown war. This places the floating societies in a bit of a fix. Should they join battle vigorously, they will find a cut in rates quickly pushing the bottom line.

Businesses such as Halifax and Woolwich are heavily dependent on mortgages. A large slice out of profits would obviously do no good for their float valuations, and for the hopes of those millions of members rubbing their hands at individual windfall share handouts worth anything between £500 and £1,000 on average. Moreover, a mortgage war drain on profits would leave the wannabe-banks more exposed at this vulnerable pre-float stage. Make no mistake, there are plenty of predators sniffing the breeze in the shares. Royal Bank of Scotland,

for one, makes no bones about its ambitions to expand southwards, and a building society at a cheapened price would do very nicely.

Alliance & Leicester is probably the safest, having diversified its business. Its position as Britain's leading telephone banking operation with the Girobank makes it much less exposed to a mortgage war of attrition. So the chances are, to save their valuations, Halifax and Woolwich will have to stand clear of a mortgage punch-up. They are counting on the promise of a large free share handout next year being sufficiently attractive to keep their customers away from the lures of cheaper loans and better savings rates offered by some of their mutual-to-the-death rivals. On that count, they are probably right.

Bidders sniff around Pearson

The demerger trend has come late to the red-hot media sector, where companies have been more inclined to expand across-the-board (programming, distribution, new and old media) than to concentrate on particular markets. But pressure is building on conglomerates to follow the fashion, particularly those with non-media interests mixed into the bargain. At least two candidates for demerger, Pearson and MAI, are likely to oblige.

Indeed, if they do not move on their own, hostile bidders may do the work for them. Pearson, once thought to be close to bid-proof, is now a potential bid candidate, and is trading well above the range analysts have fixed on fundamentals.

All it takes, say the pundits, is a few members of the Cowdrey family to break ranks: institutional shareholders, so the theory goes, would jump at the chance to cash in. Pearson is trading at about 600p. Broken up and sold off, it might be worth £9. A less radical option, spinning off the media and entertainment assets, might be worth £7.60 a share. Institutional shareholders will not be patient if Pearson management, only recently awakened from a sleepy few years at the wheel, cannot tease out value from a spate of investments in media and publishing.

More to the point, there may be even greater institutional appetite for media stocks in the future. Fund managers will be attracted by growth of about 15 per cent for the sector over the next two years, compared with just 9 per cent for the market as a whole. That follows outperformance of 42 per cent since 1991.

Fund managers, by necessity, will be eyeing company strategies carefully, intent on picking the winners. Increasingly, those winners will be the specialists with focused management, not the grab-bag of disparate assets that some UK media companies have become.

Rowland tucks into a monthly tab of £60,000

TOM STEVENSON
City Editor

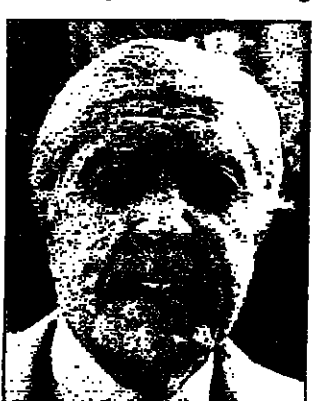
The true running costs of Tiny Rowland, Lomrho's flamboyant former managing director, were published for the first time in the conglomerate's annual report yesterday. The company spelled out the proportion of his £1.6m annual salary used for corporate entertainment.

In the five months before Mr Rowland was dramatically sacked as a director of the mining, hotels and trading group last March, he reportedly received £272,763 in the form of "benefits in kind". Most of that near £60,000-a-month expense account represented the cost of entertaining business contacts and was in addition to a £522,920 salary.

In a detailed breakdown of salaries and other benefits, to comply with the new demands of the Greenbury Committee,

all Lomrho's board is shown to have received some benefits in kind but the amounts pale into insignificance compared with Mr Rowland's allowance.

Dieter Bock, Mr Rowland's former joint chief executive, received £15,000 in addition to a base salary of £600,000 during



Tiny Rowland: Refused to give details

the 12 months to September 1995. Other executive directors received benefits worth between £8,000 and £18,000 for the same period.

A note to the accounts pointedly revealed the composition of those perks: "Benefits in kind comprised mainly the provision of a motor car for the use of each director and the provision of private medical insurance, and in the case of Mr R. W. Rowland, the costs of entertaining overseas visitors."

Contacted at his country home yesterday, Mr Rowland refused to give details of how he had run up the entertainment bills, but he hit out at the current management team that had published the details.

"They didn't even have the decency to show me the figures involved," he said, adding that he planned to write to Lomrho's shareholders shortly. His successor, Mr Bock, he claimed,

had only spent 11 days in Africa since he joined the company. "His expenses in Africa plainly don't amount to much."

The bubbling row over Mr Rowland's use of company funds is the latest rift between the maverick multi-millionaire once denounced by Edward Heath as "the unacceptable face of capitalism" and the company he was unceremoniously removed from 10 months ago.

Money, and his use of it, was always a bone of contention between the extravagant Mr Bock, who claims he spent more than £2m of his own money securing a political settlement in Mozambique, and the more parsimonious Mr Bock.

It is understood that when Mr Rowland was cut off from Lomrho, the company also removed other perks such as the executive jet he used to travel to the many countries in Lomrho's far-flung empire.



'Why don't you belt up?' Lord Hanson at yesterday's turbulent annual meeting

Photograph: Edward Sykes

Insults fly at Hanson meeting

TOM STEVENSON
City Editor

The tricky triumphalism of Hanson's annual meeting yesterday blew up in the conglomerate's face as a constant barrage of heckling reduced the AGM to a farce. From the moment Lord Hanson bounded, breathlessly, onto the stage at London's Barbican Centre, vulpine smile from a giant screen, the meeting was reduced to an acrimonious slanging match.

The unexpected appearance of an elegantly-coiffed Roger Moore, regally acknowledging applause for the latest Hanson TV ad in which he stars, added to the ludicrous spectacle. But as the more squeamish shareholders called for a team of burly bouncers to unhand one particularly agitated woman it

became clear this was shareholder anger in the British Gas league, even if the reason for the outrage never fully emerged.

North American Indians, environmentalists, women - all had their vociferous say in Hanson's most chaotic meeting. Bizarrely, the radical dismemberment of the Hanson empire was mentioned only in passing as the annual meeting as a sensible talking shop joined the idea of the conglomerate on the scrap heap.

A day after the carefully timed announcement of Hanson's four-way split ("hung, drawn and quartered", one of the less hectoring shareholders remarked), such a theatrical celebration was always likely to be a high-risk PR strategy. When your business includes open-cast mining on Navajo homelands

and the manufacture of cigarettes and chemicals, a certain amount of confrontation is to be expected.

Already feisty, the sizeable minority of hecklers among the 2,000 or so packed into the meeting treated a saccharine video about Hanson's relationship with its "friends and business partners" in Arizona with the contempt it probably deserved. For one long-standing shareholder the video was a red rag to a bull: "That PR film was an absolute disgrace".

Her view was probably shared by a dignified delegation from the Navajo and Hopi tribes, whose sacred lands they claim Peabody Coal is desecrating, and there was a strange historical irony in a North American Indian woman intoning a prayer for the souls of

the gathered blue rinses from Harrogate.

Even Lord Hanson, smooth as silk for most of the turbulent 90 minutes, lost his rag at one point: "Oh, for God's sake, why don't you belt up?"

Considering the constituency he was addressing, the ribald response to Lord Hanson's reference to non-executive director Kenneth Baker's "distinguished record in Parliament" was telling. But it didn't prevent the chairman's fullest explanation of the morning: why Hanson would continue to contribute £100,000 a year to the Conservative Party's coffers.

"Conditions have improved constantly for companies and individuals under 16 years of Conservative government - regardless of all this wittering I shall continue."

IN BRIEF

Chief executive goes at Senior

Senior Engineering, the specialist engineering group, last night announced the resignation of its chief executive, John Bell. He is the third director to leave in little more than a year. The company issued the announcement after the market had closed yesterday and declined to give any reason for Mr Bell's departure. He was paid £174,000 last year and is likely to be paid a substantial sum for loss of office. Kevin Gamble, head of the thermal division, resigned in November. David Bebb, the division's previous managing director, resigned in 1994 with a compensation package of more £800,000, which included the purchase of his house.

TI unloads three businesses

TI, the engineering group, has sold three non-core businesses for £44m to a management-led company. Hay Hall Group has acquired TI Desford Tubes, TI Matrix Engineering and Hollow Extrusions with financial support provided by Legal & General Ventures. The three companies made combined profits of £4.5m on sales of £55.7m in 1994. Their sale, which completes the disposal of most of TI's smaller engineering businesses, will lead to an exceptional gain of £22m in the group's accounts.

Lloyds Chemists talks to Gehe

Lloyds Chemists is in discussions with the German drug wholesaler Gehe to determine whether it is prepared to top the £532m bid from Unichem. Lloyds has written to shareholders recommending they defer action on the Unichem offer while negotiations take place over the next few days. Some analysts believe that Gehe needs Lloyds to develop the retail side of A&A, the wholesaling and chemists group it bought last year. But Gehe's finances are thought to be constrained by gearing of around 75 per cent, while a rights issue to fund any bid appears to have been ruled out.

Asprey turns to Saatchi brothers

Asprey, the upmarket jewellery group which was rescued by the Sultan of Brunei's brother last year, has appointed M&C Saatchi as its advertising agency. The £6m account is a further scalp for the new agency formed by Maurice and Charles Saatchi.

New director for Medeva

Medeva has appointed Gerald Schulze as an executive director with effect from February. Mr Schulze joined the drugs group in September as president and chief executive officer of Medeva Americas, the US arm. He will retain specific responsibility for the group's US operations. Before joining Medeva, Mr Schulze spent 23 years with Pfizer, latterly as vice president of global pharmaceutical planning.

Pru confirms top job for Derek Higgs

The Prudential confirmed yesterday the appointment of Derek Higgs, the senior Warburg corporate financier, to run Britain's most powerful investment institution, writes John Eisenhower.

He expects to take up on 19 February the position of chief executive of Prudential Portfolio Managers, in charge of £76bn of funds under management. Much of this is invested in the UK, putting Mr Higgs in charge of nearly 4 per cent of the stock market, a position of unrivalled influence in corporate Britain.

The move marks a radical departure for the old-guard Warburg grandee, who spent 24 years at the former City mer-

chant banking flagship. But he is among several who have been sidelined since the takeover by Swiss Bank Corporation. "I am looking forward to the new start. The time is now right to do something different and give the youngsters their head at SBC Warburg," Mr Higgs said.

"I shall not be leading the day-to-day handling of the investment management team. That distracts from thinking about strategy and the direction of the Pru," he said. "It won't be completely different. My corporate finance background should be helpful."

"I don't leave Warburg with unhappiness or disaffection. It has a great future, although there is still work to do."

DTI put pressure on fraud office over Venables

The Department of Trade and Industry, which is seeking to disqualify Terry Venables as a company director, repeatedly pressed the Serious Fraud Office to start a criminal investigation into the England football coach.

This is revealed in documents relating to the case and seen by the Independent. The documents show that the DTI forwarded 11 alleged offences which they wanted the SFO to examine.

Sources who attended a highly fractious meeting at the SFO in November 1994 have said that when DTI officials realised the SFO would not take the case, they attempted to start briefing the Prime Minister.

A senior civil servant, Mar-

tin Roberts, told the SFO's director, George Staple, that if the SFO would not change its mind "it was necessary for him to brief his Ministers and for the Private Office to notify No 10".

It would be surprising for Downing Street to be informed in advance of decisions taken by the SFO, which is an independent prosecuting authority, and indeed yesterday a statement said that No 10 did not have prior warning of the SFO's decision in the Venables case. "We were not informed, nor would we expect to be," a spokesman said yesterday.

However, papers seen by the Independent reveal that both the DTI and the SFO considered

Documents show the SFO turned down 11 allegations. David Helliier reports

delaying a public announcement of the SFO's decision to give them time to inform No 10.

A letter from the SFO to the Attorney General's Chambers, dated November 3, 1994, headed "Edenote-Terry Venables", concludes: "The timing of the announcement will depend upon the DTI, since the officials with whom we have been discussing the matter need to bring it to the attention of their ministers and are also considering whether it is appropriate to advise 10, Downing Street."

The Independent has seen DTI papers relating to discussions between the two prosecuting authorities in 1994, when the DTI wished the SFO to assume responsibility for its investigation into the business affairs of the England coach.

All potential criminal proceedings against Mr Venables appear now to have been dropped, according to a letter the DTI sent to him before Christmas.

The documents reveal that in none of 11 cases put up for in-

vestigation by the DTI was there deemed to be sufficient evidence to warrant the SFO becoming involved.

One of the allegations, which currently features in a DTI case against Mr Venables seeking his disqualification as a director, relates to a £1m loan he received from a since-collapsed finance company, Landhurst Leasing. In 1994, the documents show, the DTI was pressing the SFO to investigate whether theft or conspiracy could be shown in the way leases were offered as security for the loan.

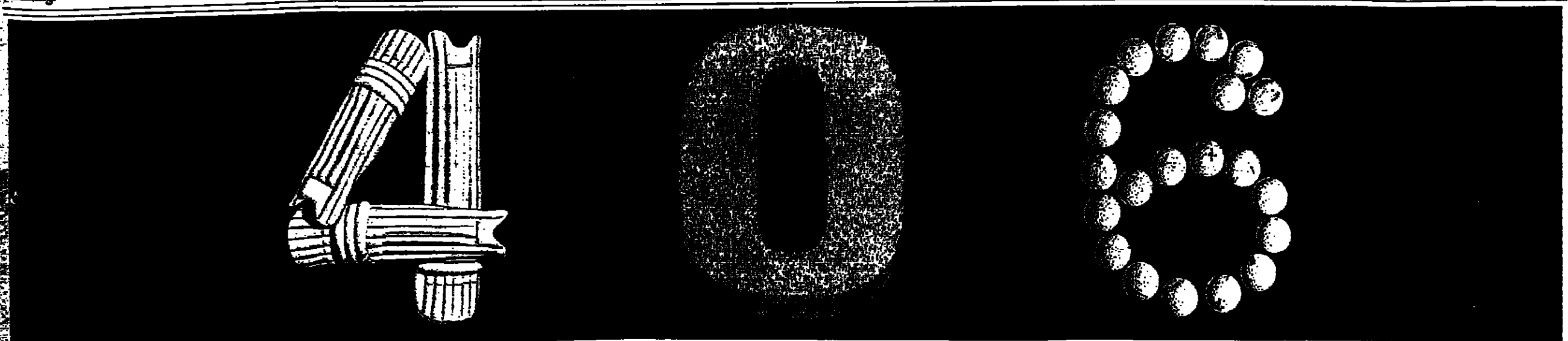
The SFO also declined to pursue DTI concerns that a corrupt payment had been made to obtain one of the leases.

Other allegations put forward by the DTI but turned down by the SFO included:

□ Claims that Mr Venables' company, Edenote, had made misleading statements when it subscribed for shares in Tottenham Hotspur plc.

□ Claims that Mr Venables aided and abetted Eddie Ashby, an undischarged bankrupt, in taking part in the management of a number of companies. (Mr Ashby is currently defending charges related to taking part in the management of companies while an undischarged bankrupt.)

□ Claims that a free executive box at Tottenham Hotspur supplied to Landhurst Leasing for 1991/92 could amount to theft.



THE INVESTMENT COLUMN

Edited by TOM STEVENSON

Bidders could add value to Hanson

What was really mystifying about the extraordinary scenes at Hanson's annual meeting yesterday was shareholders' apparent lack of interest in the proposed demerger of their company. Faithful investors also show a bewildering willingness to accept what has been a quite inexcusable under-performance against the rest of the market. The shares have lost more than a third of their relative value over the past five years.

Plainly something had to be done – the shares' relative decline started 12 years ago, about the time of the London Brick acquisition, and has only accelerated in the 1990s. Whether the planned demerger of three of Hanson's four operating divisions is the answer is not clear.

The cynical view (often the right one in these circumstances) is that Lord Hanson's decision to call time on the conglomerate experiment actually has little to do with creating shareholder value and more to do with prolonging a family dynasty. Robert Hanson, the argument goes, would not attract institutional support if he were proposed as his father's successor to chair the whole £1.1bn group. As head of a Hanson cut down to a quarter of its size, albeit still probably an FT-SE 100 member, the family grip might be acceptable.

Unlike the previous demergers of ICI/Zeneca and Courtauld, the break-up of Hanson does not appear to unlock any hidden value. In fact some analysts are suggesting an aggregate valuation of the parts at between 190p and 200p, compared with yesterday's close of 202.75p, an 8.75p fall on the day.

There are advantages to holding the whole group together. It would defer the capital gains tax that might be payable on a four-way split and would avoid the duplicated costs of running four head offices instead of one.

But valuations of the parts probably miss the crucial point of the demerger, which is that it is highly unlikely to come to fruition in the form now being advertised. Bidders are probably already lining up for the best bits, but it is hard to see any plausible buyer for, say, Imperial Tobacco waiting the nine months or so it will take to put together the demerger. Nor would Hanson go to the sizeable expense of demerging itself if it could simply sell Imperial to the likes of BAT Industries, Reckitts of Germany or even Japan Tobacco.

While tobacco is the most saleable division, both chemicals and building materials could also attract bidders, especially if they are not so loaded with

debt as to become completely unattractive. With a dividend yield of 7.5 per cent, the shares are strongly underpriced at current levels and shareholders should hold on to see how much value an effective For Sale sign can create.

Ashstead ready to grow further

Since Peter Lewis and George Burnett boarded Ashstead Group nearly 12 years ago it has become Britain's biggest non-operated plant hire group. From an investment of £458,000, their combined stake is currently worth £23m. They are now preparing to put their fortunes at risk by launching the next leg of the group's growth strategy.

Ashstead is paying £10m for Leada Acrow, a 1993 buyout from BET, and £30.3m (£20.2m) for McLean, an equipment hirer based in Virginia, close to its existing Sunbelt chain of US depots. To finance the two deals, Ashstead is calling on shareholders for up to £66.3m in a one-for-two rights issue at 152p a share.

Yesterday's 3p gain in the share price

to 180p, despite such a hefty cash call, gives a clue to the market's enthusiasm for Ashstead. Its performance has certainly been impressive, during what has been the worst building recession since the war. The market share of its main A-Plant UK business has almost tripled to 11 per cent since 1991 and margins have doubled to over 20 per cent since the trough of the recession.

Ashstead is probably unique amongst plant hire groups for its heavy incentivisation of staff, but it has also cut reliance on the construction industry from 100 per cent 10 years ago to 40 per cent now. The latest deal should spread the business even further.

Leada, with operating margins of 16 per cent, takes Ashstead into a new business area, concrete formwork, and across the Irish Sea for the first time. Margins should be quickly boosted by putting A-Plant business through 13 of the 19 depots. McLean looks more risky. The price looks reasonable, given profits of \$4.6m last year, and McLean's margins of 14 per cent look capable of expansion. But the recent exit from the US by rivals Vibroplant shows just what a snake-pit it can be.

Based on UBS's forecast that profits will rise from £18m to £29m in the

year to April 1997, but earnings growth will slow, the shares could mark time on a forward multiple of 12. Shareholders should follow the example of the founders and "tail swallow" enough rights to take up the balance.

Fyffes rides the banana boat

Yesterday's results from Fyffes, the Dublin-based fruit supplier, were something of a sideshow. The real interest in Fyffes is what it will do with the banana interests of Geest, which it acquired in a £147m deal last month, and whether they will reward investors.

Although nothing will be decided ahead of a strategic review, expected to take another six to eight weeks, some things seem clear. Geest's two new ships and its Costa Rican banana plantations are likely to be sold. Other than this, Fyffes is planning few changes. It will run Geest as a separate business with its own sales force and head office. The only potential synergies are in shipping and technical support.

Fyffes could cut more costs with a full merger but that would risk irking the supermarket groups, which would have been left dealing with one main supplier. The last thing Fyffes wants is a recurrence of last year's banana price war, which saw the price fall to 19p per pound. That skirmish was fuelled by the supermarkets, which absorbed the lower prices in their margins, but they could put pressure on the producers in any future battle.

Fyffes claims there is good news ahead for bananas. The UK banana market – of which Fyffes now has half – is growing at 8 per cent a year. It has a broader base of suppliers, which minimises the risk from the natural disasters that can devastate crops. Bananas also account for just 30 per cent of Fyffes' sales, even after the Geest deal. But investors face uncertainties. Whatever Fyffes says, bananas are at the mercy not just of weather but political instability in producing countries, disease, and vagaries of supply and demand.

Yesterday's results show that Fyffes has managed the volatility a lot better than Geest. Pre-tax profits for the year to October were 16 per cent up at £42.2m on sales ahead by a third to £1.12bn. This year's interim will be flat, but Panmure Gordon is forecasting £44.5m for the full year. With the shares unchanged at 112p they are on a forward rating of 13. A discount rating, but the shares are unlikely to excite.

John Willcock CITY DIARY

Barclays goes ballistic on card 'con' claims

"I think it's outrageous, extraordinary – I'm almost stumped for words." This was the sulphuric reaction from a Barclays Bank spokesman to a press campaign, launched yesterday, that branded Rowan Atkinson's TV adverts for Barclaycard a "complete con".

Jonathan Biles, chief executive of WorldCover Direct, an insurance company, issued a five-page press release that blasted: "With rubber-faced comedians advertising the 'free' travel insurance cover available through credit card purchases, WorldCover Direct warns travellers to read the small print before relying on their blarneyings."

It quotes Mr Biles saying: "It's a complete con. The impression is being given that there are high levels of cover when in fact there are none. Barclaycard Visa's travel insurance, for example, only provides cover for up to £50,000 in the event of death, provided you bought your holiday on the card, and that's it!"

"Anybody relying on their credit card to provide travel insurance would be well advised not only to check what cover they have, but also to carefully check excesses on items like carpets or binoculars, which can often be so high as to undermine the whole value of the cover."

A Barclays spokesman who was shown the statement went ballistic: "I think the whole tone of it is outrageous. It really is a bit strong describing free extras as a con. We've always said you should get separate travel insurance." So will Barclays sue? "I couldn't comment – we'll have to look at it."



That card, Rowan Atkinson, doing his thing for Barclays

How to incentivise a workforce: Ashstead, which claims to be the biggest self-operated plant hire group in the UK, has a monthly profit share scheme in which employees are paid according to the money they have collected from clients.

Ashstead rents out dump trucks, air compressors and the like to builders and industrial sites. Peter Lewis, chairman, announced two big acquisitions and a rights issue yesterday. He also observed that since it was the end of the month all the employees would be scouring the country seeking to collect cash from their clients.

"Generally we get the cheques because they're quite big lads," he said.

As the CML's big-wigs sat down to disclose the latest repossession figures, a spokeswoman had to explain that the CML's new chairman of one week's standing could not attend. He is Peter White, chief executive of Alliance & Leicester, who had other things to announce.

The CML spokeswoman explained briefly: "The chairman does not always have to appear and often doesn't." Across town at the Alliance's own press conference on its flotation, not everything was sweetness and light, either. They had to hurriedly convene a second conference as they had forgotten all the Sunday paper journalists.

Ashstead Group: at a glance

Market value: £165m, share price 180p

Trading record	1993	1994	1995	1994	1995
Revenue (£m)	33.9	43.8	67.3	31.9	43.1
Pre-tax profits (£m)	2.76	7.01	13.6	6.56	8.68
Earnings per share (pence)	3.12	8.9	11.3	5.2	6.80
Dividends per share (pence)	1.5	1.8	2.5	0.53	0.65

Operating margins

by business, %



Share price

pence



Ford's profits plunge by 58%

DANIELLE ROBINSON
New York

Ford Motor Company yesterday reported a 58 per cent plunge in its fourth-quarter profits and a 22 per cent fall in its 1995 earnings from 1994, making it the worst performer among the big three US car-makers last year.

Earnings for the fourth quarter fell to \$660m (£437m) or 49 cents per share, compared with \$1.47 in the previous corresponding period, when profit was \$1.6bn. Ford's full-year 1995 profit was \$4.1bn or \$3.58 per share, down from 1994's record \$5.3bn.

Both General Motors, the number one car-maker in terms

of size and Chrysler, number three, have reported better-than-anticipated 1995 earnings. Chrysler reported 1995 profits of \$2bn earlier this month, including a gain in sales. Earlier this week GM announced record 1995 earnings of \$6.9bn, albeit due to a lower tax rate rather than gains in earnings.

Ford blamed its poor results on a drop in North American sales volumes, costs associated with product launches in North America and Europe, adverse results in Brazil and Mexico and the effects of currency exchange rates.

The market took the news in its stride. "Ford's earnings were not a surprise because man-

agement has been warning that earnings would be on the weak side," said James Solloway, car industry analyst at Argus Research in New York.

"Even so, they are not good and we are unlikely to see any powerful rally in Ford's share price," Mr Solloway added. Analysts said Ford was not doing anything untoward to cause the drop on earnings. "I don't think it's doing anything wrong. It's just that it is in an uncomfortable position in its product launch cycle. GM was in the same position in 1994," Mr Solloway said.

Despite its results, 1995 was Ford's fourth-best year ever, according to the company.

Enterprise venture dismantled

MARY FAGAN
Industrial Correspondent

The five-year-old joint venture between Elf Aquitaine and Enterprise Oil has sold its 13 per cent stake in Enterprise for about £230m and will now be dismantled.

Enterprise, which said the move would benefit the company and its shareholders, will make a £25m charge this year related to the change. The shares were widely placed at around £3.70, compared with the £4.77 value in the oil company's books.

The joint venture was formed in 1991 as a vehicle for the takeover of the North Sea as-

sets of Occidental Petroleum, which included fields such as Piper, Claymore and Saltire. At the time, Elf injected its shareholding in Enterprise into the venture while Enterprise donated its Nelson field. The French group owned two-thirds of Elf Enterprise and in effect had operational control.

The reorganisation gives the two groups direct control of their assets and is also thought to be driven by Elf's desire to reduce debt. Graham Hearne, chairman of Enterprise, said that in spite of the move he hopes to strengthen the exploration and production relationship between the two companies.

Enterprise will receive £219m in oil and gas assets as a result of the demerger and debt and other liabilities of £130m. The assets transferred from the joint company are cash-generative and the re-organisation is expected to marginally enhance Enterprise's earnings per share from 1996 onwards.

The announcement came as Total of France reported a fall in net profit to Fr2.2bn from Fr3.4bn the previous year. The decline was due to a one-off Fr1.5bn charge for restructuring and accounting changes and Total predicted "a substantial growth in profits" in similar trading conditions this year.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Alford Textile Co (F)	211m (168m)	18.8m (17.0m)	19.5p (18.1p)	7.3p (5.8p)
Anglo United (F)	92.8m (80.2m)	-10.2m (-3.2m)	-1.2p (-0.4p)	nil (nil)
Ashland Group (F)	43.1m (31.9m)	6.7m (6.6m)	6.8p (5.2p)	0.85p (0.53p)
AW Bell (F)	4.27m (4.46m)	0.08m (-0.71m)	0.84p (-0.87p)	nil (nil)
Bentley Hunter (F)	32.8m (28.1m)	1.61m (2.38m)	10.3p (12.3p)	2.5p (2.75p)
Bostonall Group (F)	13.1m (8.51m)	0.28m (0.11m)	1p (0.5p)	nil (nil)
Copyright Press (SP)	2.73m (-)	0.18m (-)	1.77p (-)	0.5p (-)
Corradis Electron (F)	119m (40.5m)	14.1m (2.43m)	25.15p (9p)	1.85p (1.55p)
Fyffes (F)	1.12bn (1.067bn)	142m (836.1m)	7.91p (7.02p)	1.967p (-)
Parvair (F)	39.9m (24.8m)	5.1m (2.1m)	18p (13.7p)	5.4p (4.5p)
Zellers (F)	10.5m (11.7m)	593m (590m)	5.3p (6.3p)	5p (5p)

(F) - Final (F) - Interim (M) - Nine months

WIN A PORSCHE BOXSTER

with THE INDEPENDENT

Own one of the first Boxsters in the country

The Porsche Boxster or Project 986 has been perhaps the most eagerly awaited new car of recent years. Not yet in full production and not due for launch until September, we have managed to secure one of the very first Boxsters direct from Germany.

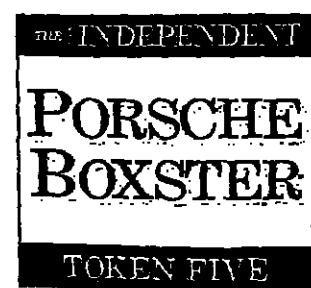
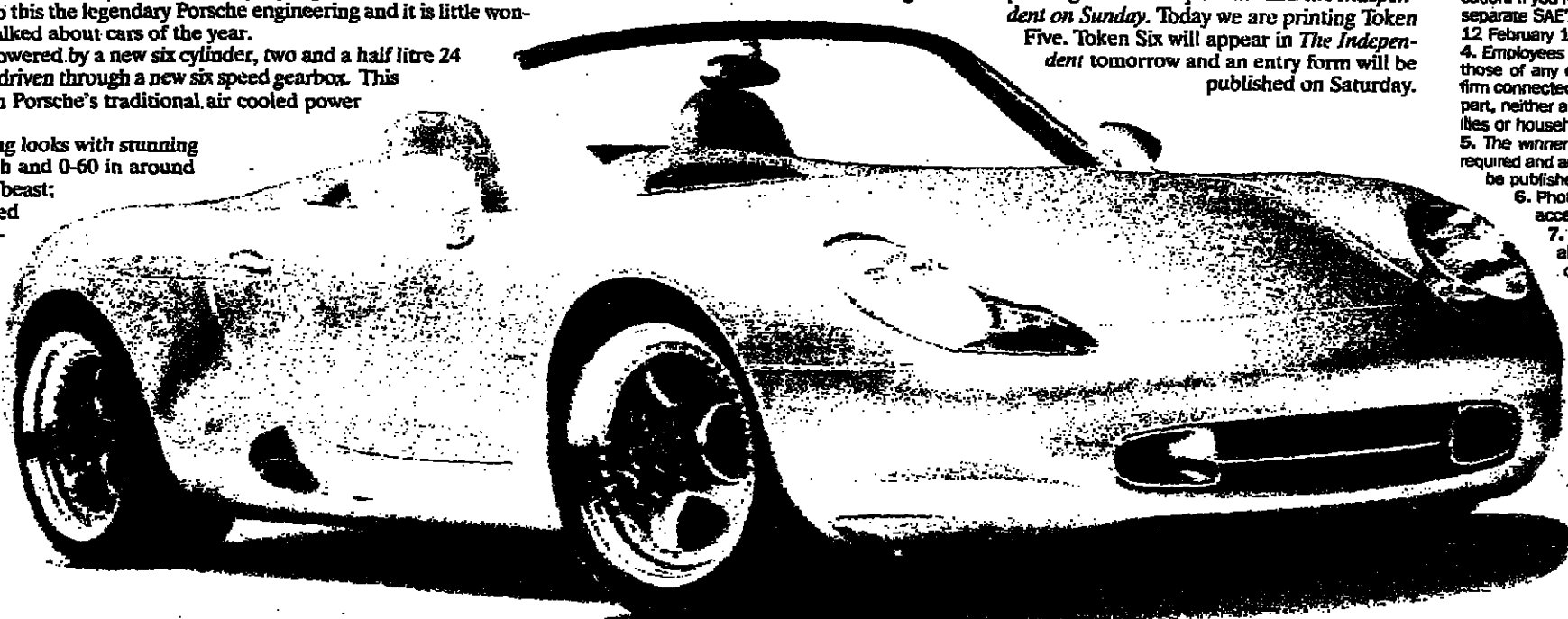
A genuine two seater sports car, the Boxster's retro body styling and fine detail combine for a visually stunning car. Add to this the legendary Porsche engineering and it is little wonder that this is one of the most talked about cars of the year.

The Porsche Boxster will be powered by a new six cylinder, two and a half litre 24 valve engine developing 210 bhp, driven through a new six speed gearbox. This engine is a major departure from Porsche's traditional air cooled power units.

The Boxster combines stunning looks with stunning performance, capable of 140 mph and 0-60 in around six seconds. But this is no hairy beast; it's a driver's car. The mid-engined configuration and double wishbone suspension all round ensures a smooth ride.

The production Boxster may differ slightly from the prototype shown here but it is sure to be a real head-turner.

To enter our prize draw you must collect five differently numbered tokens from the eight we will printing in *The Independent* and the *Independent on Sunday*. Today we are printing Token Five. Token Six will appear in *The Independent* tomorrow and an entry form will be published on Saturday.



Rules:

- To enter our Porsche Boxster prize draw you need to collect five differently numbered tokens from the eight we will be printing (one of which was a starter token which can be used as any number).
- The closing date for entries is 23 February 1996. Send to: The Independent/Porsche Boxster Prize Draw, PO Box 250, Welwyn Garden City, Hertfordshire AL7 1TU along with a completed entry form which will be printed on Saturday 3 February.
- For previously published tokens or an entry form send a SAE to: The Independent/Porsche Boxster, Token Request or Entry Form, PO Box 83, Welwyn Garden City, Hertfordshire AL7 1TT. Only 2 tokens are available per application. If you require both tokens and a form, please send separate SAE's. Requests must be received by first post 12 February 1996.
- Employees and agents of Newspaper Publishing Plc or those of any other national newspaper company or any firm connected with the promotion are not eligible to take part, neither are their relatives nor members of their families or households. Entrants must be aged 18 or over.
- The winner must co-operate for publicity purposes if required and accept that his/her name and photograph will be published in the paper.
- Photocopies of tokens and entry forms are not acceptable.
- The promoter reserves the right in their absolute discretion to disqualify any entry or competitor, nominee, or to add to, or waive any rules.
- No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt. The promoter will not take responsibility for entries lost or damaged in the post. The Editor's decision is final.
- The competition is open to residents of the UK and the Irish Republic. The prize will be as stated, with no cash alternative. The Editor's decision is final.
- The Porsche Boxster should be available in November 1996, but is dependent on production dates.

Promoter: Newspaper Publishing Plc, One Canada Square, London E14 5DL

market report/shares

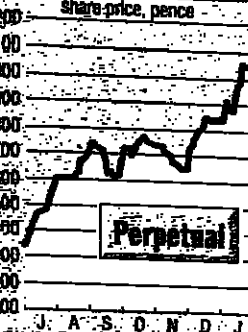
TAKING STOCK

Perpetual surges as intrigue grips financial sector

DATA BANK

FT-SE 100
3,759.3 + 24.0
FT-SE 250
4,125.0 + 29.3
FT-SE 350
1,868.0 + 12.2
SEAQ VOLUME
1.64bn shares,
34,265 bargains
Gilt Index
95.31 - 0.25

SHARE SPOTLIGHT



Perpetual, the fund management group, is intriguing the stock market. The shares have responded to the steady takeover euphoria which has captured the financial sector as stories of bids and deals have swirled around.

But whereas many financial shares have felt obliged to pause for breath Perpetual has continued to power ahead. They surged another 58p to a 2,133p peak with some saying it will soon relinquish its independence with, again, inevitably, cash-rich National Westminster Bank, known to want to increase its fund management side, regarded as the most likely bidder.

Any deal would need the say-so of Martin Arbib, the racehorse owner who started the company in what has been described as a Henley-on-Thames garret 22 years ago. His family and charitable interests control around 65 per

cent of the capital and although he has shown no inclination to sell there is clearly a sneaking suspicion he may yield to temptation.

With the Arbib stake the shares are a narrow market and it does not require much interest to create sharp price movements.

Other financials were less enthusiastic. Mercury Asset Management shaded a few coppers to 894p and for-sale Gartmore, the US group NationsBank is now the favourite to strike, stuck at 253p.

The rest of the market, buoyed by hopes of lower interest rates and New York, clawed its way to yet another peak with a 24-point gain to 3,759.3. Second-line shares, which have lagged behind the blue chip elite, are also catching up with the supporting index 25 points off its peak, established two years ago. Electricity shares bright-



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

ened on renewed takeover speculation with Yorkshire up 35p to 719p. Southern joined the surge, up 20p to 828p and East Midland gained 18p to 697p. Talk of more American bids is in the air. Continental forays are also expected.

BSkyB, figures next week, shrugged off its Olympic Games setback to continue its romp, outperforming other blue chips with a 21.5p gain to 428p. Redland and RMC responded favourably to the measures to enliven the German economy and Bass and Scottish & Newcastle moved ahead after analyst meetings.

Insurances were excited by the Halifax decision to run its

own insurance operation. With Royal Insurance handling new Halifax underwriting for household accounts, worth £300m a year premium income, the shares rose 7p to 385p. Sun Alliance, which has lost a chunk of Halifax business, fell 7p to 370p.

The bio-babes had a down day with British Biotech suffering a 157p hit to 2,123p. ML Laboratories and Scotia also gave ground. Glaxo Wellcome showed the tiddlers how to perform, up 28.5p to 961.5p on Aids treatment hopes.

Cable groups enjoyed, for them, something of an upbeat performance. They have been hit hard as many householders

have seemed less than impressed with the advantages of plugging into cable.

On the theory they have been oversold and must now be worth buying Nynex gained 6.5p to 92p; General Cable 11p to 179p and TeleWest 7p to 125p.

Media shares were buoyant, largely on the back of NatWest Securities enthusiasm.

Enterprise Oil was the most heavily traded share with Seaq putting volume at 161 million. The action was the result of the sale of 12.9 per cent of group by Elf, the French group. Enterprise shares fell 13p to 368p.

Hanson was again busily traded as the debate raged about the surprise break-up. The shares at one time down to 195p, ending 8.75p lower at 202.75p.

Vodafone, on talk of French expansion and Société Générale Strauss Turbillion joining Henderson Crosth-

waite as buyers, rose 7p to 237.5p. Rolls-Royce firmed 1p to 204p as Henderson talked of more orders and put a medium term target of 240p on the shares.

Greenalls "celebrated" its first day as a Footsie constituent with a 13.5p fall to 596p and a profit warning knocked 37p to 251p from catering equipment group, Linat.

Engineer Wilshaw remained under the whip of a determined seller, falling 5p to 40p. The shares reached 80p in September.

Bardon, the aggregates group, continued to attract interest.

The shares edged ahead 1.5p to 38.5p, highest for more than 18 months. Once again turnover was high with Seaq putting the volume at almost 12 million.

Polypipe moved to a 12 month high of 194p and Scholl, the health group, held at 217p.

Dean Corporation, a property services group that has barely stirred since it arrived on AIM in October, seems set for a higher profile. Two deals, involving property maintenance and landscaping, could double the group's present £3.2m valuation and would require a share placing. Dean, run by Stephen Dean, former head of Dean & Bowles, is acquiring 40 per cent of H Page, a building services supplier. The group hopes for profits of around £200,000 last year. The shares held at 11p.

Bruntcliffe Aggregates held at 27p, despite a share build-up. Two former directors, Anthony Hanson and Paul Kaye, have lifted their shareholding to 14.62 per cent. Conversion of loan stock and friendly supporters take their stake to 17.81 per cent.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: x Ex Rights x Ex Dividend x Ex All u Unlisted Securities Market x Suspended x Parity Paid per Nil Paid Shares. Source: Firstcall.

The Independent Index

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Foreign Exchange	03	Tokyo Market	21	High Street Banks	41

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Calls cost 30p per minute (cheap rates) and 40p at all other times. Call charges include

Market leaders: Top 20 volumes

Stock	Vol/100	Stock	Vol/100	Stock	Vol/100
Enterprise Oil	600000	Glaxo Wellcome	200000	Seas	100000
Hanson	600000	ASDA Group	200000	BT	80000
Lloyds TSB	600000	Burns	200000	Widggin	80000
National Grid	600000	British Air	200000	Alamy Natural	80000
Vodafone	600000	Lorha	200000	General Elect	80000
				BAF Inc.	60000

FT-SE 100 index hour by hour

Open 3759.3 up 22.2	11.00 3769.3 up 15.0	14.00 3749.3 up 5.5
09.00 3759.3 up 17.0	12.00 3761.3 up 10.5	15.00 3760.8 up 5.8
10.00 3759.3 up 21.5	13.00 3758.3 up 10.5	16.00 3763.3 up 10.0
		Close 3759.3 up 24.0

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STERLING			DOLLAR			D-MARK
Country	1 month	3 months	1 month	3 months	1 month	3 months
US	1290	12-11	32-29	1080	—	60721
Canada	2077	19-18	33-30	1370	0-3	02596
Germany	2707	25-25	35-35	1479	22-24	10000
France	7778	76-78	345-34	5078	40-41	72-70
Italy	5645	54-78	207-28	2078	42-43	24259
Japan	1290	12-11	32-29	1080	—	60721
Spain	2077	19-18	33-30	1370	0-3	02596
EDU	1294	12-12	40-39	1294	24-47	05540
Belgium	42221	42-41	33-29	1080	—	60721
Denmark	62221	62-61	33-29	1080	—	60721
Netherlands	571	57-58	37-37	1059	30-30	077-52
Ireland	08955	11-7	25-9	1551	4-6	4-7
Switzerland	5942	59-60	33-33	1370	0-3	02596
Sweden	10498	10-49	32-33	1370	0-3	02596
South Africa	1290	12-11	32-29	1080	—	60721
South Korea	1290	12-11	32-29	1080	—	60721
Hong Kong	11983	76-59	107-18	2120	2-12	5-35
Malaysia	13695	0-0	0-0	1695	30-32	08-8
New Zealand	13695	0-0	0-0	1695	30-32	08-8
Saudi Arabia	55570	0-0	0-0	17505	0-7	0-4
Singapore	2446	0-0	0-0	1695	30-32	08-8

OTHER SPOT RATES

Country	Starting	Dollar	Country	Starting	Dollar
Argentina	1970	0.0059	Nigeria	0.0080	0.00700
Brazil	0.0080	0.0020	Oman	0.0038	0.0030
Canada	1.00	0.0000	Pakistan	0.0028	0.00200
Spain	0.0040	0.0038	Philippines	0.0024	0.0020
China	0.0030	0.0028	Portugal	0.0023	0.0020
France	0.0025	0.0024	South Africa	0.0020	0.0020
Germany	0.0020	0.0020	Taiwan	0.0017	0.0015
India	0.0015	0.0015	Thailand	0.0015	0.0015
Japan	0.0010	0.0010	U.S.A.	0.0000	0.0000

Note: Forward rates quoted high to low are in a discount (quoted from spot rates; those quoted low to high are at a premium (high to spot rate).

**Dollar rates quoted on an end-of-month basis. For the latest rates, see the "Money" section of the "Financial" section of this issue.*

E Bays		E Bays		E Bays	
Austria (Gardens)	15,500	France (France)	7,440	New Zealand (Polish)	2,200
Austria (Belgium)	13,000	Germany (France)	2,200	Norway (France)	1,200
Belgium (France)	2,000	Greece (Greece)	368,000	Portugal (France)	2,200
Canada (Polish)	44,500	Hong Kong (Greece)	1,140	Spain (France)	1,200
Cyprus (France)	1,000	Ireland (France)	5,500	Sweden (France)	1,200
Denmark (France)	5,500	Italy (France)	2,200	Switzerland (France)	1,200
Holland (Greece)	2,400	Japan (France)	5,500	Turkey (France)	1,200
Finland (France)	6,500	Malta (France)	5,500	United States (France)	1,200

Interest Rates

UK Base	8.25%	Germany Discount	3.00%	US Prime	8.75%	Japan Discount	0.50%
France Intercon	5.50%	London Discount	5.00%	Prime Discount	6.25%	Belgium Discount	0.50%
Italy Discount	5.00%	Canada Prime	7.25%	Fixed Plands	9.45%	Thailand Discount	8.00%
Switzerland	9.00%	Spain	6.75%	Spain	12.00%	Canada Discount	3.40%
Netherlands	9.00%	Denmark Discount	4.25%	90-Day Repo	9.00%	Sweden Discount	1.50%
Advances	3.50%			Simulas Repo (Ave)	8.45%	London Discount	1.00%

Country	8yr	yield %	10yr	yield %	Country	8yr	yield %	10yr	yield %
UK	3%	631	3 1/2%	750	Netherlands	3%	473	3%	559
US	3 1/2%	626	5 1/4%	658	Spain	3 1/4%	922	3 3/4%	981
Japan	6 1/2%	101	4 1/4%	300	Italy	3 1/4%	955	3 1/4%	924
Australia	5 1/4%	785	6 1/4%	802	Belgium	3 1/4%	5 1/4%	6 1/4%	625
Germany	5 1/4%	437	6%	590	Sweden	3 1/4%	748	6%	822
France	5 1/4%	558	7 1/4%	827	ECU/GMT	3 1/4%	588	7 1/4%	827

Source: HSBC Markets Research. Yields calculated on bond basis. ** Denotes new benchmark.

Money Market Rates

	O/Night	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	8 1/4	7	8 1/4	8 1/4	8 1/4	8 1/4
Storling CDs	-	-	8 1/4	8 1/4	8 1/4	8 1/4
Local Authority Depo	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
Discount Market Depo	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
Treasury Bills (90 day)	-	-	8 1/4	8 1/4	8 1/4	8 1/4
Dollar CDs	-	-	8 1/4	8 1/4	8 1/4	8 1/4
ECU Linked Depo	-	-	8 1/4	8 1/4	8 1/4	8 1/4

Contract	Settlement price	High/Low	EndConts traded	Open Interest
German DM (Mar 90)	10.14	11.10 - 10.08	87855	16026
London Shd (Mar 90)	102.25	104.98 101.00	22559	23787
JLB Bond (Mar 90)	102.74	103.77 100.55	2261	0
Polish Zloty (Mar 90)	10.35	10.95 10.70	1331	8400
3M Sterling (Mar 90)	93.88	93.94 93.85	1236	0
			2946	0
3M Euro \$ (Mar 90)	94.70	94.75 94.70	0	0
3M Euro mark (Mar 90)	93.78	93.81 93.75	36955	71604
			70787	10787
ECU (Mar 90)	95.44	95.45 95.40	222	323
			133	475
Euro SF (Mar 90)	95.68	95.82 95.63	123	878
FTSE 100 (Mar 90)	102.39	102.95 102.14	794	0
FTSE 200 (Mar 90)	370.60	373.60 370.60	1008	854
	476.50		0	357
		90.92 90.90	3740	572

Liffe FT-SE Index Option					
Settlement price: 3760.0	closing offer price			Call/Put	
Series	3850	3700	3750	3800	Total/Vol
February	114/6	71/4	36/30	14/61	--
March	133/34	96/37	66/57	40/83	--
April	144/43	126/61	63/81	60/108	--
May	155/52	130/05	50/59	77/122	--

INDUSTRIAL METALS - London Metal Exchange					
\$/tonne		Cash	3 mths	Volume	
Alu	HG	581-62	1880-91	57292	
		584-85	1890-90	1072	
Copper	Alloy	2448-50	2450-50	1072	
Lead		754.5-55	763.5-55	16382	
Nickel		8455-65	8555-65	22683	
Tin		6225-30	6265-30	5167	
Zinc		7057-58	677-24	12037	

Settlements/tonne		Settlements/tonne		Settlements/tonne	
Aluminium	12085	12085	12085	12085	12085
Copper	12085	12085	12085	12085	12085
Lead	12085	12085	12085	12085	12085
Nickel	12085	12085	12085	12085	12085
Tin	12085	12085	12085	12085	12085
Zinc	12085	12085	12085	12085	12085

LME Stocks		LME Stocks		LME Stocks	
Aluminium	469825	469825	469825	469825	469825
Copper	88650	88650	88650	88650	88650
Lead	106705	106705	106705	106705	106705
Nickel	40710	40710	40710	40710	40710
Tin	16500	16500	16500	16500	16500
Zinc	950700	950700	950700	950700	950700

Stock volumes & changes in stock on day of Tuesday 30 January

[illegible][illegible]

Jan	Mexico (MoS)	\$/tonne	1985	Feb	Egypt OIL	FJ/tonne	700
Jan	Copra (P)	\$/tonne	1640	Feb/Mar	Southeast O (F)	\$/tonne	725.5
Mar	Cotton (NY)	LBS/cwt	85.00	Feb/Mar	Coastal Oil	\$/tonne	6000
Feb	Wool	Australian	6850	Feb	Reprocessed O	FJ/tonne	885
Feb	Rubber	Metric/kg	3835	Jan/Feb	Groceries O	\$/tonne	9450

Origin: Ecuador - many origin; FIP=West Africa; Indochina; FT Europe Source: PT Information/Pleas

ENERGY

Brent Crude	(Barrel)	Gasol.	(\$/Gallon)	WTI	Products	(\$/Gallon)
IPE	\$/Bbl	%wt	%wt	IPE	diesel	%wt
					Gas	Scot CF North West Europ.

[illegible]

100 Largest Insurance Funds

Rank	Fund	Assets	Assets	Rank	Fund	Assets	Assets
		\$Bil.	% Chg.			\$Bil.	% Chg.
1	Accord Life Managed Sec	750.7	700.3	1	London Life Mgmt	575.1	209.3
2	Accord National Managed	533.8	102.8	2	M&G Managed Bond	571.5	105.9
3	ABNA Life II Managed	320.4	309.0	3	M&G International Income Bond Ser A	521.1	105.9
4	ABNA Life Ltd	287.0	214.3	4	Manulife Life Managed	542.1	105.9
5	ABNA Life First 23 Wkly	264.8	102.8	5	M&G Managed	502.9	105.9
6	ABNA Multipl Investments	253.6	102.8	6	Manulife Life Managed	502.9	105.9

360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813
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Lincoln Hill Cemetery S2	4523	242	Western Life Insurance	1924
		4524	Western Life Insurance	

Mystery shrouds Asprilla transfer

Football

GUY HODGSON

Newcastle United's board met yesterday but the club made no attempt to end speculation that Faustino Asprilla's £6.7m transfer from Parma was off. The saga of wounded knee is likely to be a long-running one.

Instead of an unequivocal statement that the Colombian had passed a medical last Friday there was silence, fuelling rumours that Asprilla has a serious knee injury. The chief executive, Freddie Fletcher, delivered a terse "no comment".

Reports in Italy and Tyneside have suggested the deal is off, but the mystery was heightened last night when the Department of Employment revealed that it had received a request for a work permit. "Newcastle submitted an application on Monday and we are working on that," a spokesman said.

Parma, too, appear to think the transfer is still in motion. A club spokesman, Giorgio Gandolfi, insisted that Asprilla was in good physical condition when he left Parma last week.

England's preparations for the European Championship have been disrupted by the weather. The coach, Terry Venables, had hoped to hold a squad

get-together this month but has abandoned it because so few of his players are available due to the number of FA Cup matches postponed last weekend.

"I'm disappointed," Venables said, "but there is no point calling up players to make up numbers. England's next match is a friendly against Bulgaria at Wembley on 27 March. Scotland's manager, Craig Brown, has indicated that Duncan Ferguson is in contention for the finals. "If Duncan maintains his good form," he said, "and keeps behaving himself, he is definitely in my thoughts."

This morning the Everton striker learns whether he must serve the remaining seven matches of a 12-match suspension. Judge Lord Macfadyen will announce his verdict after deliberating since 19 January.

Manchester United's Nicky Butt has failed to have a one-match suspension overturned after the FA dismissed an appeal against his sending-off against West Ham.

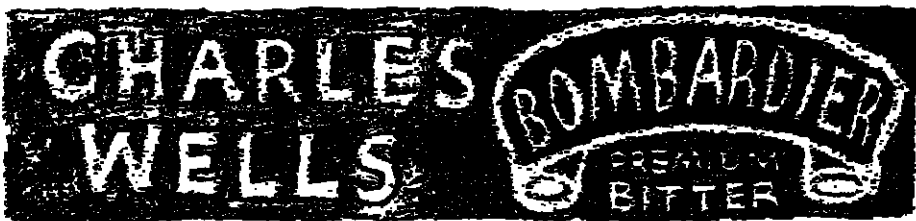
Sheffield United have made an inquiry about the Danish international Michael Laudrup, whose contract with Real Madrid is coming to an end. The 31-year-old striker's wages of £30,000 a week are a stumbling block, however, as is the interest of several Japanese clubs.



Magdalena Maleeva, of Bulgaria, winds up a forehand during her 6-3, 6-2 victory over South Africa's Mariann de Swardt in Tokyo yesterday

Photograph: AP

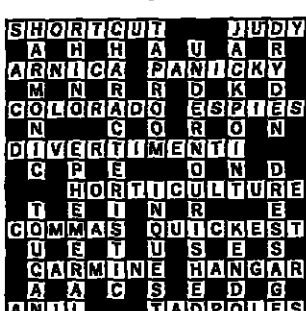
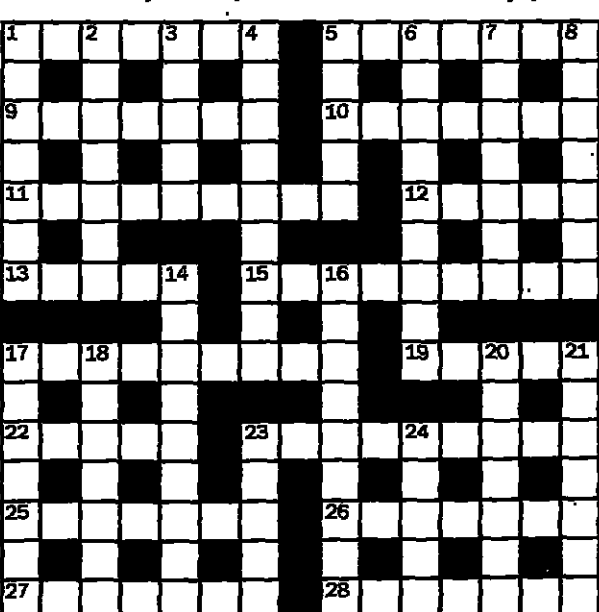
THE INDEPENDENT CROSSWORD in association with



No.2996 Thursday 1 February

By Spectator

Wednesday's Solution



ACROSS

- 1 Attempt to hold competition to produce ornamental pattern (7)
- 5 It's wise having a letter sent out (7)
- 9 Stuff in first half of comic sketch consuming 1,043,576 bytes? (7)
- 10 Clergyman's consumed a source of energy (7)
- 11 Menu item lending to language difficulty (5, 4)
- 12 Time, about noon, there'll be wedding in Paris? (5)
- 13 Argument understood when enunciated (5)
- 15 Means whereby woman's seen outside church in Spain (9)

DOWN

- 17 Sort of chemistry journal printed in one French town (not English) (9)
- 19 Managed to invest in notes - foreign currency (5)
- 22 Avoid Kansas City (5)
- 23 Champion in college disrupts game with little hesitation (9)
- 25 Canal section seen from public house by a railway near New Cross (7)
- 26 Flat fare from loveliness? (7)
- 27 Break rank in country dance (7)
- 28 Get zany reaction, seeking name of river? (7)

Win a Weekend Break or a case of Bombardier Premium Bitter

CALL 0891 311 017

When you have the answers to the first three clues across AND the first three clues down phone 0891 311 017 and leave your answers with your name and address and daytime telephone number by midnight tonight. Each day there is a case of Charles Wells Bombardier Premium Bitter to win. PLUS from all entries for the week a winner will be selected for a Weekend Break for two in a Charles Wells Country Hotel.

Calls cost 30p per minute plus 4p per minute all other times. Winners will be selected at random from all correct entries received. No cash alternative. Normal Newspaper Publishing rules apply. Editor's decision is final. Winners' names can be obtained by sending an SAE to - Charles Wells Crossword, Unit A, Bowe House, St Peters Road, Maidenhead SL6 7QU

Arsenal quick to scotch Venables speculation

GLENN MOORE

First the Windsors, now the Arsenal. It seems that the nation's royalty are losing their nerve. A story "no comment" used to be the upper crust's response to tabloid tales, but yesterday Highbury followed the Palace in issuing a swift reply to press speculation.

While Buck House's statement had criticised the messenger - a mobile telephone eavesdropper - Arsenal's rubbished the message. The suggestion that Terry Venables was being lined up to become their next manager drew this comment from managing director Ken Friar: "We do not like commenting on reports like this, but it is total garbage. It really is."

As with the Windsors, football club denials cannot always be believed. However, this one appears to be genuine. While a case can be made for linking Venables and Arsenal, it is a flawed one.

The Arsenal board do admire Venables, and he turned down the job before it was offered to George Graham. The man himself will be available as soon as he steps down from coaching England in July.

But given that Venables resigned from the national post to contest a series of legal cases, it is hard to imagine how he could combine them with the more time-consuming task of club management. Neither are Arsenal, still recovering from the Graham scandal, likely to take on a manager who will be spending autumn in the courtroom.

But while the story may be a case of putting two and two together and making five, there are reasons to make such calculations. Venables may not be going to be Highbury but that does not mean Bruce Rioch, the current incumbent, will be staying.

Under the post-Graham regime all transfer spending is conducted by the board. Since

the initial £12m spree on Dennis Bergkamp and David Platt in the summer they have been idle - despite being presented with a series of shopping lists by Rioch.

Understandably, this reluctance to implement his plans for rebuilding - mainly due to the club's refusal to meet foreign players' wage demands - has frustrated Rioch.

That disappointment has spilled over into arguments with senior players. After nine months at Highbury he is still to sign his contract.

Some of the above was referred to in yesterday's newspaper report. Unlike the Venables tale, none of it was denied.

"He knows he has taken on a mammoth task," a friend of Rioch said yesterday. "The slower the board move, the harder that task is - and he is the one at the sharp end."

Venables developments, page 17

Fry boils over at suspension saga

Birmingham City will be without three defenders through suspension for their Coca-Cola Cup semi-final first leg with Leeds United. Their captain, Liam Daish, has joined his fellow centre-back, Andy Edwards, and the full-back Gary Poole on the sidelines for the St Andrews encounter on 11 February.

Daish has received a two-match ban after topping 21 disciplinary points. City's manager, Barry Fry, who is set to recall the former Leeds defender Chris Whyte from a loan spell at West Ham, said: "I think we will be lucky to keep the score down to 6-0. It's an absolutely incredible situation. We are being punished effectively for our success in the cup competitions this season."

"We've played about a dozen games more than anybody else in the country and that obviously means there is more chance of picking up bookings. I think suspensions should be decided on a pro-rata basis, taking into account how many games your club has played. I also think re-

serve-team bookings should count at first-team level."

The Croatian international defender, Slaven Bilic, should today be cleared to play for West Ham in Saturday's home game against Nottingham Forest. The granting of Bilic's work permit will see the completion of his £1.65m move from the German club, Karlsruhe. The Hammers are, however, still awaiting clearance for the Romanian international, Ilie Dumitrescu, who was signed from Tottenham for £1.5m last week.

Roger Stanislaus, the Leyton Orient defender, today answers a Football Association misconduct charge after becoming the first player in England to test positive for a performance-enhancing drug immediately after a match. Stanislaus, 27, has been suspended from the Third Division club pending the hearing, which could result in a lengthy ban. The former Arsenal apprentice was found to have traces of cocaine following a urine test after a 3-0 defeat at Barnet in November.

IRB imposes 180-day residential clause

Rugby Union
STEVE BALE

The International Rugby Board yesterday threw into confusion the nascent transfer system that has followed professionalism when it insisted on a 180-day residential qualification for players wishing to change countries.

The restriction will apply even within the home countries, thereby casting doubt on the transfer of the Scotland scrum-half, Gary Armstrong, to Newcastle which had been thought to be a fait accompli once Armstrong had completed the 120-day stand-down that applies in England for the remainder of this season. From the close season the Rugby Football

Union had intended only a seven-day qualification.

The acquisition by Saracens of the former captain of Australia, Michael Lynagh, is a different case, though the IRB has agreed a let-out enabling the 180 days to be waived if the unions concerned mutually agree. Otherwise Lynagh, who has already signed a contract with the north London club, would need to be resident in England from the beginning of March in order to be eligible for a prompt start to next season.

As for British players, not to mention those from the Irish Republic and the rest of the Eu-

ropean Union, this deliberate impediment to the free movement of labour is certain to face a legal challenge both at home and in Europe. The IRB's legal advice is that it could withstand such a challenge and even if it did not, it takes the cynical view that any court case would drag on for years.

The IRB's excuse for exemption from legislation that applies in other walks of life is that it needs to keep tight control while rugby is finding its feet as a professional sport - a period Vernon Pugh, the board's newly elected chairman, puts at five or six years. The Bosman case, which

has latterly established freedom of movement for sportsmen out of contract, lasted seven years.

But even though Pugh, also chairman of the Welsh Rugby Union, is a barrister and his deputy, Rod Fisher, is a lawyer back home in New Zealand, the confidence with which he spoke at the end of the IRB's annual meeting in London was astonishing. For instance, he virtually ordered the RFU to reconsider its seven-day policy and said exemptions would be exceptions and not the rule.

"Rugby union is too precious to be thrown away to all these money interests who can buy up

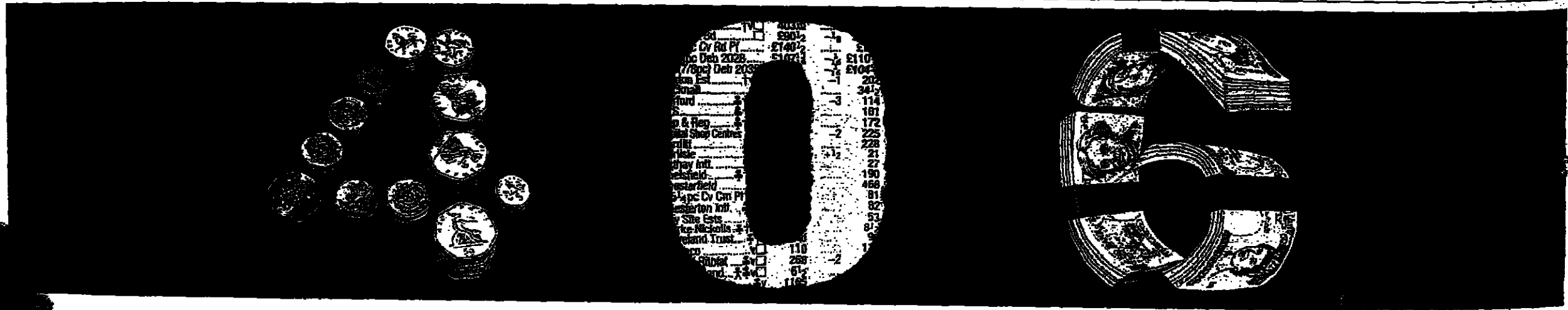
the best players," Pugh said. "It's a world asset that we have to protect. All other professional sports have been professional for some time and essentially it's the contractual position that regulates. But we are under a totally new circumstance: we have gone professional practically overnight."

"The market is a very new one and if it's left unregulated it will be to the disadvantage of the game worldwide. It's a settling-down period and I have no doubt if it's tested courts will take the view that rugby can control its own destiny at a time of transition." Not forgetting, either, that the flow of players from Pugh's union and others to where the money is - England - would be stemmed.

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